DEMERGER AND LISTING PROSPECTUS

20.11.2025

Lassila & Tikanoja plc, currently registered as a public limited company under this name, which is proposed to be renamed Luotea Plc in the Demerger Plan (as defined below) ("**Luotea**" or the "**Demerging Company**"), announced on 7 August 2025 that the Board of Directors of the Demerging Company has approved a demerger plan concerning the partial demerger of the Demerging Company (the "**Demerger Plan**"). According to the Demerger Plan, all assets, debts and liabilities of the Demerging Company relating to the circular economy business area or mainly serving the circular economy business area (the "**Circular Economy Business Area**") of the Demerging Company shall be transferred without a liquidation procedure to a company proposed to be named Lassila & Tikanoja Plc in the Demerger Plan (the "**Receiving Company**" or the "**New Lassila & Tikanoja**") (the "**Demerger**"), a company to be incorporated in the Demerger. The Demerging Company shall not be dissolved as a result of the Demerger and assets, debts and liabilities other than those which relate to, or mainly serve, the Circular Economy Business Area shall remain with the Demerging Company. The Board of Directors of the Demerging Company has on 10 October 2025 proposed that the Extraordinary General Meeting of the Demerging Company convened to be held on 4 December 2025 (the "**Extraordinary General Meeting**"), would approve the Demerger Plan and resolve upon the Demerger as set forth in the Demerger Plan. The completion of the Demerger is subject to, inter alia, approval by the Extraordinary General Meeting of the Demerging Company. The Board of Directors of the Demerging Company may resolve not to complete the Demerger if it considers that the completion would no longer be in the best interests of the Demerging Company and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed. Information on the conditions to the completion of the Demerger included in the Demerger Plan is presented in section "Summary of the Demerger" and in the Demerger Plan, which is attached to this demerger and listing prospectus (the "**Prospectus**") as Annex A. The Demerger shall be completed on the date of registration of the execution of the Demerger with the trade register maintained by the Finnish Patent and Registration Office (the "**Trade Register**"). The planned date of registration of the execution of the Demerger is 31 December 2025 (the "**Effective Date**"). The planned Effective Date may change, and the actual Effective Date may be earlier or later than the above-mentioned date.

There shall be the corresponding one (1) share class in the New Lassila & Tikanoja as in the Demerging Company. The shares in the Receiving Company will not have a nominal value. Upon the completion of the Demerger, the shareholders of the Demerging Company shall receive as demerger consideration (the "**Demerger Consideration**") one (1) new share in the Receiving Company (the "**Demerger Consideration Shares**") for each share owned in the Demerging Company, that is, the Demerger Consideration shall be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration shall be issued to any treasury shares held by the Demerging Company. The total number of Demerger Consideration Shares is expected to be approximately 38,211,724 shares (based on the number of shares in the Demerging Company on the date of this Prospectus apart from the treasury shares held by the Demerging Company). The total number of the New Lassila & Tikanoja's shares would thus be 38,211,724 ("**Share**" and collectively the "**Shares**"). The Demerger Consideration shall be issued to the shareholders of the Demerging Company on the Effective Date or as soon as possible thereafter. The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Oy ("**Euroclear Finland**"), in such manner that the Shares issued by the New Lassila & Tikanoja shall be issued using the ratio specified in the Demerger Plan based on the number of shares issued by the Demerging Company and registered in the book-entry accounts of the Demerging Company's shareholders on the Effective Date. The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of the Demerging Company in relation thereto.

This Prospectus has been prepared and published by the Demerging Company on behalf of the New Lassila & Tikanoja for the purposes of issuing the Demerger Consideration Shares to the shareholders of the Demerging Company and of applying the Shares to be admitted to trading on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**"). The Prospectus is valid until the Listing. For information on the obligation to supplement this Prospectus, see section "*Important Information*". An application for the Listing will be submitted prior to the Effective Date. The trading in the Shares on the official list of Nasdaq Helsinki is expected to begin on 2 January 2026 or as soon as reasonably possible thereafter.

This Prospectus is furnished solely to provide information to shareholders of the Demerging Company, who will receive a distribution of Demerger Consideration Shares through the Demerger. The distribution of this Prospectus may, in certain jurisdictions, be restricted by law. The information contained herein does not constitute an offer to sell or the solicitation of an offer to buy any shares in the Demerging Company or the New Lassila & Tikanoja in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. No shares in the Demerging Company or the New Lassila & Tikanoja are being offered or sold, directly or indirectly, in or into the United States pursuant to this Prospectus. The distribution of the Demerger Consideration Shares has not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state of the United States. See also "*Important Information*".

Investing in the New Lassila & Tikanoja involves a number of risks, see section "*Risk Factors*".

Financial Adviser to the Demerging Company

Danske Bank

IMPORTANT INFORMATION

The Demerging Company has on behalf of the New Lassila & Tikanoja prepared and published a Finnish-language demerger prospectus (the "**Finnish Prospectus**") in order to issue Demerger Consideration Shares to the shareholders of the Demerging Company and of applying the Shares to be admitted to trading on the official list of Nasdaq Helsinki. The Finnish Prospectus has been prepared in accordance with the following regulations: the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**"), Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (Annexes 1, 11 and 20) supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended. The Finnish Prospectus and this Prospectus contain a summary. The Finnish Financial Supervisory Authority (the "**FIN-FSA**") has approved the Finnish Prospectus as the competent authority under the Prospectus Regulation. The FIN-FSA only approves the Finnish Prospectus as meeting the standards of completeness, comprehensibility, and consistency imposed by the Prospectus Regulation. Approval by the FIN-FSA of the Finnish Prospectus shall not be considered as an endorsement of the issuer that is the subject of the Finnish Prospectus. Shareholders and investors should make their own assessment as to the suitability of investing in the securities. The journal number of the FIN-FSA's decision of approval is FIVA/2025/1765. This Prospectus is an English language translation of the Finnish Prospectus, and it contains the same information as the Finnish Prospectus. The English language Prospectus has not been approved by the FIN-FSA. In the event of any discrepancies between the Finnish Prospectus and this English language Prospectus, the Finnish Prospectus shall prevail. In accordance with section "*Certain Matters—Parties Responsible for the Prospectus and the Statement Regarding the Prospectus*", the persons responsible for the Prospectus are also responsible for the English language translation of the Prospectus. **This Prospectus is valid until the Listing. The obligation to supplement the Prospectus with regard to significant new facts, material errors or material inaccuracies will end when the Prospectus expires.**

In this Prospectus, prior to the Effective Date, any reference to "**Luotea**" or the "**Demerging Company**" means the public limited liability company currently registered under the company name Lassila & Tikanoja plc, which is proposed in the Demerger Plan to adopt the new company name Luotea Plc, and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means the current Lassila & Tikanoja plc or a particular subsidiary or business area only. Prior to the Effective Date, any reference in this Prospectus to the "**New Lassila & Tikanoja**" or the "**Receiving Company**" means Lassila & Tikanoja Plc, which shall be incorporated on the Effective Date as a result of the Demerger, and its subsidiaries on a consolidated basis, except where it is clear from the context that the term means the company Lassila & Tikanoja Plc to be incorporated as a result of the Demerger or a particular subsidiary or business area only.

Shareholders and investors should rely solely on the information contained in the Prospectus as well as in the stock exchange releases published by the Demerging Company. No person has been authorised to provide any information or give any statements other than those provided in the Prospectus. Delivery of the Prospectus shall not indicate that there would not have been any adverse changes or events after the date of the Prospectus, which could have an adverse effect on the Demerging Company's or the New Lassila & Tikanoja's business, financial position or results of operations, or that the information presented in the Prospectus would be correct in all respects in the future. However, if significant new factors, material errors or material inaccuraies relating to the information included in the Prospectus which may affect the assessment of the securities arise or are noted prior to the Listing, this Prospectus will be supplemented in accordance with the Prospectus Regulation. The obligation to supplement the Prospectus under the Prospectus Regulation will end when the Prospectus expires. Information given in the Prospectus is not a guarantee or grant for future events by the Demerging Company or the New Lassila & Tikanoja and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to the Demerging Company or the New Lassila & Tikanoja or their industry are based upon reasonable estimates of the management of the company that such information concerns.

In a number of jurisdictions, such as in Australia, Canada, Hong Kong, Japan, Singapore and South Africa, the distribution of this Prospectus may be subject to restrictions imposed by law (such as registration of the relevant offering documents or transaction, admission, qualification and other regulations). Neither the Prospectus, any notification nor any other Demerger material may be distributed, disseminated or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. This Prospectus is neither an offer to sell nor a solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful. This Prospectus must not be released or otherwise forwarded, distributed or sent, directly or indirectly, in whole or in part, to any other person and may not be reproduced in any manner whatsoever in or into any jurisdiction where the distribution of these materials would breach any applicable law or regulation or would require any registration or licensing within such jurisdiction. Failure to comply with the foregoing limitation may result in a violation of the U.S. Securities Act or other applicable securities regulations.

The distribution of the Demerger Consideration Shares has not been, and will not be, registered under the U.S. Securities Act or under the securities laws of any state of the United States. The Demerger Consideration Shares have not been approved or disapproved by the United States Securities and Exchange Commission ("**SEC**"), any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the distribution of the Demerger Consideration Shares or the accuracy or adequacy of this Prospectus.

Neither the Demerging Company nor the financial adviser of the Demerging Company accept any legal responsibility for persons who have obtained the Prospectus in violation of these restrictions, irrespective of whether these persons are prospective recipients of the Demerger Consideration Shares. The Demerging Company advises person into whose possession this Prospectus comes to inform themselves of and observe all possible applicable restrictions. No actions have been taken to register or qualify the Demerger Consideration Shares for public offer in any jurisdiction other than Finland.

The financial adviser does not make any representation or warranty, express or implied, as to the accuracy or completeness of this Prospectus, or does not accept any liability with respect to this Prospectus. Danske Bank A/S, Finland Branch has been retained as financial adviser to the Demerging Company in connection with the Demerger. Danske Bank A/S, Finland Branch is acting for the Demerging Company and no one else in connection with the Demerger and will not be responsible to anyone other than the Demerging Company for providing the protections afforded to clients of Danske Bank A/S, Finland Branch, or for giving advice in connection with the Demerger or any other matter.

Any disputes arising in connection with the Finnish Prospectus or this Prospectus will be settled exclusively by a court of competent jurisdiction in Finland. Investors must not construe the contents of this Prospectus as legal, investment or tax advice. Investors are advised, at their own discretion, to consult with their own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Demerger.

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SUMMARY

Introduction

*This summary contains all the sections required by Regulation 2017/1129 of the European Parliament and of the Council to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to this demerger and listing prospectus (the "**Prospectus**"). Any decision by an investor to invest in the securities presented in this Prospectus should be based on consideration of this Prospectus as a whole. An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate, or inconsistent when read together with the other parts of this Prospectus or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the securities.*

The identity and contact details of the issuer are:

*The following information is based on the demerger plan (the "**Demerger Plan**") and information available as at the date of this Prospectus regarding the circular economy business area of the Demerging Company (as defined below), as the new public limited liability company to be established in the Demerger (as defined below), the name of which will be Lassila & Tikanoja Plc (the "**New Lassila & Tikanoja**" or the "**Receiving Company**"), will not be incorporated until the date of the registration of the execution of the Demerger of the public limited liability company currently registered under the company name Lassila & Tikanoja plc, the new company name of which is proposed in the Demerger Plan to be Luotea Plc ("**Luotea**" or the "**Demerging Company**"), is registered with the trade register maintained by the Finnish Patent and Registration Office (the "**Trade Register**") (the "**Effective Date**").*

Future company name..	Lassila & Tikanoja Plc
Business identity code	3555336-9
Legal entity identifier ("**LEI**")	636700EBB0SA4501AT18
Domicile	Helsinki, Finland
Registered office...	Valimotie 16, FI-00380 Helsinki, Finland
Telephone	+358 10 636 111
Website	https://www.lt.fi/en/

The identity and contact details of the Demerging Company are:

Current company name...	Lassila & Tikanoja plc
Proposed new company name	Luotea Plc
Business identity code	1680140-0
Legal entity identifier ("**LEI**")	743700Z9Z54VGHZA0028
Domicile	Helsinki, Finland
Registered office until 1 December 2025	Valimotie 27, FI-00380 Helsinki, Finland
Registered office as of 2 December 2025	Kutomotie 2, FI-00380 Helsinki, Finland
Telephone	+358 10 590 2000
Website	https://www.lt.fi/en/ and, as of the Effective Date at the latest, https://www.luotea.com/en/

Hereinafter, the term the "**New Lassila & Tikanoja**" or the "**Receiving Company**" refers to Lassila & Tikanoja Plc as of the Effective Date. The Demerging Company intends to carry out a partial demerger in accordance with the Finnish Limited Liability Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") to the effect that all assets, debts and liabilities of the Demerging Company relating to the circular economy business area of Demerging Company or mainly serving the circular economy business area of the Demerging Company (the "**Circular Economy Business Area**") shall be transferred without a liquidation procedure to the New Lassila & Tikanoja, a company to be incorporated in the demerger (the "**Demerger**").

The New Lassila & Tikanoja will have one (1) share class ("**Share**" and collectively the "**Shares**"). The Shares shall not have a nominal value. The Demerging Company intends to apply for admission to trading of the Shares on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**") (the "**Listing**") under the trading code LASTIK (ISIN code FI4000592472). The Shares in the New Lassila & Tikanoja shall be issued in the book-entry system maintained by Euroclear Finland Oy ("**Euroclear Finland**").

The Finnish Financial Supervisory Authority (the "**FIN-FSA**") has, in its capacity as competent authority under the Prospectus Regulation, approved the Finnish Prospectus on 20 November 2025. The journal number of the FIN-FSA's approval of the Finnish Prospectus is FIVA/2025/1765. The FIN-FSA's address is P.O. Box 103, FI-00101 Helsinki, Finland, its telephone number is +358 9 183 51 and its email address is kirjaamo@finanssivalvonta.fi.

Key Information on the New Lassila & Tikanoja

Who is the Issuer of the Securities?

The New Lassila & Tikanoja will not be incorporated until the Effective Date and, therefore, the following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding the Circular Economy Business Area. The following information reflects a number of assumptions and expectations regarding the New Lassila & Tikanoja's operations, including the Demerger being completed in the manner and timeframe contemplated in this Prospectus and the operations of the New Lassila & Tikanoja being organised as anticipated as at the date of this Prospectus. However, there can be no assurance that the Demerger will be completed in the manner or in the timeframe contemplated in this Prospectus, or at all, or that the operations of the New Lassila & Tikanoja will be organised as anticipated as at the date of this Prospectus, any of which may cause any of the statements below not to materialise. The Demerger Plan is attached to this Prospectus as Annex A.

The issuer's legal and commercial name will be Lassila & Tikanoja Oyj in Finnish and Lassila & Tikanoja Plc in English. The New Lassila & Tikanoja will become a public limited liability company incorporated in Finland and subject to the laws of Finland with its registered office in Helsinki, Finland. The New Lassila & Tikanoja will be registered in the Trade Register under business identity code 3555336-9 and its LEI will be 636700EBB0SA4501AT18.

Principal activities

The New Lassila & Tikanoja is a multi-service company in the circular economy. The New Lassila & Tikanoja enables efficient recycling and utilisation of materials at the highest possible refining rate to its customers. The New Lassila & Tikanoja continuously develops solutions to utilise the side streams of industry and society and to restore land areas according to the principles of the circular economy. The New Lassila & Tikanoja's services also include process cleaning and sewer maintenance. The New Lassila & Tikanoja promotes circularity through a diverse range of recycling, waste management and industrial services. The New Lassila & Tikanoja operates in Finland and Sweden. From the Effective Date, the New Lassila & Tikanoja's business will consist of the Circular Economy Business Area, which is divided into the following three business lines: *Waste management and recycling*, *Hazardous waste and remediation*, and *Industrial services and water treatment*.

Major Shareholders

As at 20 November 2025, the Demerging Company had 38,211,724 shares (excluding the treasury shares held by the Demerging Company). According to the Demerger Plan, the shareholders of the Demerging Company shall receive as demerger consideration (the "**Demerger Consideration**") one (1) new Share in the New Lassila & Tikanoja (the "**Demerger Consideration Shares**") for each share owned in the Demerging Company, that is, the Demerger Consideration shall be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1. The following table sets forth shareholders with direct and indirect holding, based on information available to the Demerging Company on 18 November 2025, would represent at least 5 per cent of the total number of Shares and votes in the New Lassila & Tikanoja as at the Effective Date assuming that there would be no changes in the ownership of the Demerging Company and the number of the Demerging Company's outstanding shares until the Effective Date:

	Shares and votes	
Shareholder	**No. of shares and votes**	**%**
Evald ja Hilda Nissin säätiö sr	3,496,487	9.15
Protector Forsikring ASA	2,014,377	5.27
Nordea Funds Ltd	1,951,870	5.11

As far as the Demerging Company is aware, the New Lassila & Tikanoja will not be directly or indirectly owned or controlled by any party, as control is defined in the Finnish Securities Markets Act (746/2012, as amended) (the "**Finnish Securities Markets Act**"). The Demerging Company is not aware of any arrangements or agreements concluded between its shareholders, which could affect the ownership or exercise of voting rights in the General Meetings of the New Lassila & Tikanoja or of any arrangements the operation of which may result in a change of control in the New Lassila & Tikanoja.

Key Management and Auditor

The Board of Directors of the Demerging Company has proposed to the Extraordinary General Meeting convened to be held on 4 December 2025 that the following persons be elected as members of the Board of Directors of the New Lassila & Tikanoja: Jukka Leinonen (Chair), Sakari Lassila (Vice Chair), Tuija Kalpala, Teemu Kangas-Kärki and Anna-Maria Tuominen-Reini.

The members of the New Lassila & Tikanoja's Management, who are expected to be appointed on the Effective Date, are: Eero Hautaniemi (President and CEO), Joni Sorsanen (Chief Financial Officer), Antti Tervo (Senior Vice President, Growth and Operations), Hilppa Rautpalo (Senior Vice President, Legal, HR and EHSQ), Juha Saarinen (Chief Purchasing Officer), Edward Skärström (Chief Information Officer) and Jorma Mikkonen (Senior Vice President, Corporate Relations and Responsibility).

The Board of Directors of the Demerging Company has proposed to the Extraordinary General Meeting to be held on 4 December 2025 that the audit firm PricewaterhouseCoopers Oy be elected as the auditor of the New Lassila & Tikanoja for a term expiring at the end of the first Annual General Meeting of the New Lassila & Tikanoja. PricewaterhouseCoopers Oy has announced that Samuli Perälä, Authorised Public Accountant (KHT), will be appointed as the principal auditor. Samuli Perälä is registered in the auditor register referred to in Chapter 6, Section 9 of the Auditing Act (1141/2015, as amended).

What Is the Key Financial Information Regarding the Issuer?

The following tables present selected carve-out financial information of the New Lassila & Tikanoja as at and for the years ended 31 December 2024, 2023, and 2022 and as at and for the nine months ended 30 September 2025 and 2024. The selected carve-out financial information presented below has been derived from the New Lassila & Tikanoja's set of carve-out financial statements included in the F-pages of this Prospectus, which include the audited carve-out financial statements as at and for the years ended 31 December 2024, 2023, and 2022 ("**Carve-out financial statements**") and the unaudited carve-out financial information of the New Lassila & Tikanoja as at and for the nine months ended 30 September 2025, including unaudited comparative financial information as at and for the nine months ended 30 September 2024. The carve-out financial information of the New Lassila & Tikanoja has been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to the New Lassila & Tikanoja as described in the notes to the Carve-out financial statements.

The independent auditor's report on the audit for the New Lassila & Tikanoja's Carve-out financial statements includes an emphasis of matter paragraph. In this emphasis of matter, the independent auditor has drawn attention to the note Background and basis of preparation in the set of carve-out financial statements. The note includes a description of the principles applied with regards to the designation of assets and liabilities, income and expenses as well as cash flows directly attributable to the New Lassila & Tikanoja. In addition, the note mentioned above explains that the New Lassila & Tikanoja has not formed a separate legal group of entities during the years presented. Thus, the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of the New Lassila & Tikanoja if it had operated as a separate legal group of entities during the financial years presented, nor future performance. The opinion is not modified in respect of this matter.

In EUR million, unless otherwise indicated	1 January to 30 September or as at 30 September		1 January to 31 December or as at 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(unaudited, unless otherwise indicated)		
Net sales	315.5	318.5	423.9[1)]	422.1[1)]	450.9[1)]
Net sales growth, %	-1.0	-	0.4	-6.4	-
Adjusted EBITDA	64.0	65.1	86.0	82.9	82.0
Adjusted EBITDA margin, %	20.3	20.5	20.3	19.6	18.2
EBITDA	63.8	64.1	83.8	82.6	84.0
EBITDA margin, %	20.2	20.1	19.8	19.6	18.6
Adjusted EBITA	31.6	34.2	44.4	40.5	44.1
Adjusted EBITA margin, %	10.0	10.7	10.5	9.6	9.8
Operating profit	30.0	31.8	40.5[1)]	38.3[1)]	44.6[1)]
Result for the period	22.5	25.0	31.5[1)]	32.4[1)]	35.5[1)]
Total assets	474.9	463.9	453.0[1)]	454.5[1)]	455.9[1)]
Invested equity	246.2	244.6	252.1[1)]	251.4[1)]	257.8[1)]
Net interest-bearing liabilities	88.3	81.3	67.4[1)]	62.3[1)]	41.7[1)]
Net cash from operating activities	36.9	51.6	74.0[1)]	82.0[1)]	71.8[1)]
Net cash from investing activities	-21.3	-31.0	-39.8[1)]	-42.6[1)]	-28.2[1)]
Net cash from financing activities	-15.9	-22.1	-34.8[1)]	-39.5[1)]	-42.4[1)]

[1)] Audited.

Unaudited Pro Forma Financial Information

This Prospectus includes unaudited pro forma combined financial information (the "**Unaudited Pro Forma Financial Information**") illustrating the effect of the Demerger on the New Lassila & Tikanoja's historical carve-out financial information, as if the Demerger had been consummated at an earlier point in time. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only. The unaudited pro forma combined income statement for the financial year ended 31 December 2024 and the unaudited pro forma combined income statement for the nine months ended 30 September 2025 give effect to the Demerger as if it had been consummated on 1 January 2024. The unaudited pro forma combined statement of financial position as at 30 September 2025 gives effect to the Demerger as if it had been consummated on that date.

Because of its nature, the Unaudited Pro Forma Financial Information illustrates the hypothetical impact of the Demerger, had it been consummated at the date assumed in the Unaudited Pro Forma Financial Information, and, therefore, does not represent the actual results of operations or financial position of the New Lassila & Tikanoja. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of the New Lassila & Tikanoja at any future date and does not represent the results of operations or financial position of the New Lassila & Tikanoja as an independent listed company during the periods presented.

The Unaudited Pro Forma Financial Information illustrates adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to the Unaudited Pro Forma Financial Information. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EU) 2019/980 and on a basis consistent with the IFRS Accounting Standards applied by the New Lassila & Tikanoja and consistent with the carve-out principles set forth in the notes to the audited Carve-out financial statements included in the F-pages of this Prospectus.

The pro forma financial information is unaudited.

The pro forma adjustments presented herein are based on the New Lassila & Tikanoja's unaudited interim carve-out financial information as at and for the nine months ended 30 September 2025, the audited carve-out financial statements as at and for the financial year ended 31 December 2024, and the Demerging Company's management's estimate of the assets and liabilities to be transferred to the New Lassila & Tikanoja, as well as the costs related to the Demerger and the Listing, which the New Lassila & Tikanoja is responsible for, as set forth in the Demerger Plan.

The final amounts of assets and liabilities transferred to the New Lassila & Tikanoja in the Demerger may materially differ from the amounts presented in the Unaudited Pro Forma Financial Information, as such balances are determined based on the carrying values of the transferring assets and liabilities on the Effective Date of the Demerger. This could result in a significant variation in the future results of operations and financial position of the New Lassila & Tikanoja, compared to the Unaudited Pro Forma Financial Information.

Unaudited pro forma key figures

In EUR million, unless otherwise indicated	1 January to 30 September 2025 Pro forma	1 January to 31 December 2024 Pro forma	As at 30 September 2025 Pro forma
Net sales	315.5	423.9	
Adjusted EBITDA	64.3	86.5	
Adjusted EBITDA margin, %	20.4	20.4	
EBITDA	66.0	81.0	
EBITDA margin, %	20.9	19.1	
Adjusted EBITA	31.8	44.6	
Adjusted EBITA margin, %	10.1	10.5	
Operating profit	32.0	37.3	
Result for the period	22.8	26.9	
Earnings per share (EUR)	0.60	0.70	
Total assets			494.8
Total equity			175.7
Capital employed			356.8
Return on capital employed, % (ROCE)[1)]			11.4
Return on equity, % (ROE)[1)]			15.3
Net interest-bearing liabilities			161.9
Net debt / Adjusted EBITDA[1)]			1.9x
Equity ratio, %			36.7
Gearing, %			92.1

[1)] The pro forma figure has been calculated using the full-year 2024 pro forma figures for the result, as using the full-year results of operations better takes into account seasonality within the year.

What Are the Key Risks that Are Specific to the Issuer?

- There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from the Demerging Company's management and other personnel

- The New Lassila & Tikanoja may not be able to organise its operations or implement its independent strategy in the manner and timeframe currently anticipated, and it may not be able to realise anticipated benefits of the Demerger

- The New Lassila & Tikanoja's business is susceptible to economic fluctuations, and changing market conditions and variations in the industries of the New Lassila & Tikanoja's customers may affect the demand for the New Lassila & Tikanoja's services and solutions

- The New Lassila & Tikanoja's business lines are competitive, and increased competition or failure in reacting to competitive situations may result in the New Lassila & Tikanoja losing market position

- The New Lassila & Tikanoja's business is sensitive to fluctuations in the pricing and supply of materials, raw materials, and capital goods

- Municipalisation may limit the New Lassila & Tikanoja's ability to offer its services, which could negatively impact the New Lassila & Tikanoja's business operations and profitability

- The New Lassila & Tikanoja may become liable for environmental damages, which could result in significant costs and reputational harm

- The New Lassila & Tikanoja may not be successful in service development and innovation or in the development of its production processes to keep pace with competitors

- The New Lassila & Tikanoja's merger and acquisition activities expose the New Lassila & Tikanoja to various risks that may have an adverse effect on its business operations

- The New Lassila & Tikanoja's operations and services rely largely on data networks and digital solutions, and any malfunctions in and breaches or attacks targeting such networks and solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of the New Lassila & Tikanoja and lead to reputational damage

- The New Lassila & Tikanoja operates in a labour-intensive industry and failures in recruiting skilled personnel, losing senior managers or key employees or other disruptions in the availability or work capacity of personnel may adversely affect the New Lassila & Tikanoja's business, and it may fail in recruiting and retaining people with the required skill set

- Regulations and changes thereto applicable to the New Lassila & Tikanoja may result in significant costs and liabilities for the New Lassila & Tikanoja

Key Information on the Securities

What Are the Main Features of the Securities?

The New Lassila & Tikanoja will have one (1) share class. The Shares shall have no nominal value. The Shares in the New Lassila & Tikanoja will carry equal rights. The Shares will be issued in accordance with Finnish law and will be denominated in euros.

The New Lassila & Tikanoja's share capital will amount to EUR 80,000.00. The shareholders of the Demerging Company will receive as Demerger Consideration one (1) Demerger Consideration Share for each share owned in the Demerging Company, that is, the Demerger Consideration will be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration shall be issued to any treasury shares held by The Demerging Company. As at 20 November 2025, the Demerging Company held 587,150 treasury shares. The total number of Shares in the New Lassila & Tikanoja would therefore be 38,211,724 Shares assuming there would not be any changes prior to the Effective Date.

The Shares in the New Lassila & Tikanoja will be issued in the book-entry system maintained by Euroclear Finland. The Demerging Company intends to apply for admission to trading of the Shares in the New Lassila & Tikanoja on the official list of Nasdaq Helsinki (the "**Listing**"). The trading code of the Shares on Nasdaq Helsinki will be LASTIK. The ISIN code of the Shares will be FI4000592472. The Demerger Consideration shall be registered on the book-entry accounts of the shareholders of the Demerging Company on the Effective Date or as soon as reasonably possible thereafter in accordance with the practices followed by Euroclear Finland. The Demerger Consideration Shares shall be delivered without any separate action being required from the shareholders of the Demerging Company in relation thereto.

The Demerging Company's Board of Directors has adopted the New Lassila & Tikanoja's dividend policy as a part of the preparations of the Demerger process. According to the New Lassila & Tikanoja's dividend policy, the New Lassila & Tikanoja aims to distribute as dividend at least 50 per cent of the net income[1].

Where Will the Securities Be Traded?

The Demerging Company intends to apply for admission to trading of the Shares in the New Lassila & Tikanoja on the official list of Nasdaq Helsinki at the latest on the banking day preceding the first trading day. The trading in the Shares of the New Lassila & Tikanoja on the official list of Nasdaq Helsinki is expected to begin on 2 January 2026 or as soon as reasonably possible thereafter.

What Are the Key Risks that Are Specific to the Securities?

- The market price of the Shares may be volatile, and an active and liquid trading market may not develop for the Shares

- There can be no assurance of distribution of dividends or repayment of capital to the shareholders in the future

[1] Net income refers to the result for the period as presented above in section "*What Is the Key Financial Information Regarding the Issuer?*".

- Future share issues, divestments or other disposals may affect the value of the Shares or dilute the shareholders' relative holdings as well as their voting rights

Key Information on the Offer of Securities to the Public and the Admission to Trading on a Regulated Market

Why Is This Prospectus Being Produced?

This Prospectus has been prepared and published by the Demerging Company on behalf of the New Lassila & Tikanoja for the purposes of issuing the Demerger Consideration Shares to the shareholders of the Demerging Company and of applying the Shares to be admitted to trading on the official list of Nasdaq Helsinki.

Who is the offeror and/or the person asking for admission to trading?

This Prospectus has been prepared and published by the Demerging Company on behalf of the New Lassila & Tikanoja. The Demerging Company is a public limited liability company incorporated under the laws of Finland. The registered office of the Demerging Company is in Helsinki, Finland.

Costs and Remuneration

The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 8 million, which primarily comprise of financial reporting, information management, legal and advisory related costs (excluding the estimated costs related to financing). The Demerging Company's portion of the costs related to the Demerger and Listing is expected to amount to approximately EUR 4.7 million and the New Lassila & Tikanoja's portion to approximately EUR 3.3 million.

Interests of the Financial Advisers

Danske Bank A/S, Finland Branch acting as the financial adviser, as well as other entities within the same groups, have provided and may provide in the future, advisory, consulting and/or banking services to the Demerging Company and the New Lassila & Tikanoja in the ordinary course of business. In accordance with customary practice, the Demerging Company has agreed with the financial advisers that their remuneration is success-based and linked to the completion of the Demerger.

RISK FACTORS

An investment in the Shares of the New Lassila & Tikanoja involves risks which may be significant. The following describes the risks relating to the Demerger, as well as the risks relating to the Demerger, the Receiving Company and its business and the Shares, including the Demerger Consideration Shares. Many of the risks related to the Receiving Company are inherent to its business and are typical in the Receiving Company's industry. Shareholders are advised to carefully review and consider the information contained in this Prospectus and, in particular, the risk factors described below. More information regarding the Receiving Company and the rationale of the Demerger is presented in section "Summary of the Demerger".

Unless a risk factor specifically refers to the Demerger or business operations planned in conjunction with it, the risks presented describe the effects of their materialisation on the Receiving Company through describing Demerging Company's Circular Economy Business Area prior to the Demerger. Prior to the completion of the Demerger, materialisation of the risks presented herein could also have the effect described in the risk factor on Demerging Company, its shareholders or the market price of its shares.

The description of risk factors below is based on information available and estimates made on the date of this Prospectus and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialise., As a part of the assessment of the risk factors, the Demerging Company has considered the probability of the potential realisation of these factors. Due to the uncertain characteristic of these potential courses of events, the Demerging Company is unable to present an exact estimate on all the risks of the probability of such events materialising or failing to materialise. Should one or more of the risk factors described in this Prospectus materialise, either individually, cumulatively or together with other circumstances, this could have a material adverse effect on the Receiving Company's business, financial position, results of operations, future prospects and Share price.

The risk factors presented herein have been divided into nine categories based on their nature. The categories are:

- *Risks relating to the Demerger;*
- *Risks relating to the New Lassila & Tikanoja's operating environment;*
- *Risks relating to the New Lassila & Tikanoja's business operations and strategy;*
- *Risks relating to the New Lassila & Tikanoja's IT systems and intellectual property rights;*
- *Risks relating to the New Lassila & Tikanoja's management and employees;*
- *Legal, regulatory and compliance risks;*
- *Risks relating to the New Lassila & Tikanoja's financial position and financing;*
- *Risks relating to the New Lassila & Tikanoja's Shares; and*
- *Risks relating to the Listing.*

Within each category the most material risks are presented in accordance with the Prospectus Regulation in a manner that is consistent with the assessment of the Demerging Company taking into account the probability of their materialisation and the expected magnitude of the negative impact. The order of the categories is not an evaluation of the materiality of the risk factors within that category, when compared to risk factors in another category.

This section contains forward-looking statements. These statements are not guarantees of the Receiving Company's financial performance. The Receiving Company's actual results of operations or financial position may differ materially from the results of operations or financial position contained in or implied by the forward-looking statements. This may be due to several factors which are described, among other things, in section "Certain Matters—Forward-Looking Statements".

Risks relating to the Demerger

There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from the Demerging Company's management and other personnel

The Demerger will become effective if the Extraordinary General Meeting of the Demerging Company approves the Demerger and the Demerger Plan and if the Demerging Company's Board of Directors subsequently resolves that the Demerger is executed in accordance with the terms and conditions of the Demerger Plan and such execution is then registered with the Finnish Trade Register. The Board of Directors of the Demerging Company has on 10 October 2025 proposed that the Extraordinary General Meeting of the Demerging Company, convened to be held on 4 December 2025, would approve the Demerger Plan and resolve upon the Demerger as set forth in the Demerger Plan. The Demerger and the Demerger Plan must be approved by shareholders representing at least two-thirds of the votes cast and shares represented at the Extraordinary General Meeting. The Extraordinary General Meeting of the Demerging Company must approve the Demerger Plan in the form proposed by the Board of Directors of the Demerging Company, or the Demerger will not be completed. Regardless of the resolution by the Extraordinary General Meeting, the Board of Directors of the Demerging Company may resolve not to complete the Demerger if it considers that the completion would no longer be in the best interests of the Demerging Company and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed.

There can be no assurance that the Extraordinary General Meeting of the Demerging Company will approve the Demerger. Should the Demerger be delayed or not completed at all, this could have a material adverse effect on the Demerging Company's and the New Lassila & Tikanoja's future prospects as well as on the market price of the Demerging Company's shares. If the Demerger is delayed, additional costs could be incurred both to the Demerging Company and the New Lassila & Tikanoja, and the prolonged Demerger process would require additional resources from the Demerging Company's and the New Lassila & Tikanoja's management and personnel.

Pursuant to the Finnish Companies Act (624/2006, as amended, the "**Finnish Companies Act**"), the Demerger requires the prior completion of a credit hearing process during which creditors of the Demerging Company may object to the Demerger until a specified due date. In the Demerger, such due date is 24 November 2025. If any of the Demerging Company's creditors object to the Demerger in the creditor hearing process and do not revoke such objection, the implementation of the Demerger will not be registered until the competent district court has issued a confirmation judgment stating that the objecting creditor has received payment for their claims or that security has been provided for the payment of the creditor's claims. Although the Demerging Company has obtained consents and waivers from certain of its lenders and implemented restructurings of its long-term debt financing covering the EUR 35 million and EUR 15 million term loans and a EUR 40 million revolving credit facility the terms of which take into account the Demerger, and has obtained consents and waivers from the holders of the EUR 75 million sustainability-linked notes maturing in 2028 (the "**Notes**") (see "*Summary of the Demerger—Creditor Consents and Waivers*"), there can be no assurance that other creditors of the Demerging Company will not object to the Demerger in the creditor hearing process, which may delay or prevent the implementation of the Demerger.

If the Demerger would not be approved by the Extraordinary General Meeting of the Demerging Company or the Demerger is otherwise not completed, the already incurred Demerger and Listing preparation costs will be borne by the Demerging Company and the contribution of time and resources of the Demerging Company's and the New Lassila & Tikanoja's proposed management and personnel directly connected to the Demerger process will be lost.

The New Lassila & Tikanoja may become liable for certain obligations of the Demerging Company following the Effective Date, and such obligations could have a material adverse effect on the New Lassila & Tikanoja's business, financial position and results of operations

Pursuant to the Finnish Companies Act, all companies participating in a demerger are jointly liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. The liability of a participating company for debts that have in the demerger plan been allocated to another participating company is limited to a total amount equal to the value of the net assets transferred to or retained by the first mentioned participating company in the demerger ("**Secondary Demerger Liability**"). A demand for payment based on Secondary Demerger Liability can be made only after it has been established that payment will not be received from the participating company to which such debt was allocated in the demerger plan or out of the security posted for the relevant liability.

In the Demerger, all assets, debts and liabilities of the Demerging Company relating to the Circular Economy Business Area or mainly serving the Circular Economy Business Area of the Demerging Company shall be transferred without a liquidation procedure to the New Lassila & Tikanoja. The Demerging Company shall not be dissolved as a result of the Demerger, and assets, debts and liabilities other than those which relate to, or mainly serve, the Circular Economy Business Area shall remain with the Demerging Company. The completion of the Demerger is intended to be registered in the Finnish Trade Register on or about 31 December 2025 (the "**Effective Date**"), after which the New Lassila & Tikanoja may become liable for any debts that arose prior to the Effective Date and that have been allocated to the Demerging Company in the Demerger Plan if it has been established that creditor will not receive payment from the Demerging Company or out of the security posted for the relevant liability, if any. The Secondary Demerger Liability could in such cases create an obligation for the New Lassila & Tikanoja to pay off Demerging Company's debts unrelated to the New Lassila & Tikanoja's Circular Economy Business Area, which could have a material adverse effect on the New Lassila & Tikanoja's financial position were such liability to materialise.

The New Lassila & Tikanoja may not be able to organise its operations or implement its independent strategy in the manner and timeframe currently anticipated, and it may not be able to realise anticipated benefits of the Demerger

One of the main purposes of the Demerger is to increase shareholder value by enabling the facility services business area of the Demerging Company and the Circular Economy Business Area of the New Lassila & Tikanoja to pursue their own focused strategies and growth opportunities more effectively (see "*Summary of the Demerger—General Description*"). The New Lassila & Tikanoja's ability to achieve the estimated benefits of the Demerger will depend on its ability to organise its business operations and implement its independent strategy effectively and in a timely manner. The implementation of the New Lassila & Tikanoja's strategy involves certain risks and uncertainties, some of which are outside of the New Lassila & Tikanoja's control, and there can be no assurance that the New Lassila & Tikanoja will be able to implement its strategy as currently expected or to realise any or all of the anticipated benefits of the Demerger.

Risks and challenges relating to the Demerger and the organisation of the New Lassila & Tikanoja's independent operations and the implementation of its strategy include, but are not limited to, the following topics:

- the implementation of the new organisation of the New Lassila & Tikanoja;
- the definition and implementation of the strategy for the New Lassila & Tikanoja;
- the renegotiation and separation of shared supplier contracts for goods and services, including transitional services agreements entered into between the Demerging Company and the New Lassila & Tikanoja;
- synergies lost between the Demerging Company and the New Lassila & Tikanoja as a result of the Demerger, including cost synergies related to general and administrative expenses as well as people-related costs;
- the ability to secure necessary financing and insurance facilities for the New Lassila & Tikanoja also in the future;
- potential loss of customers and arrangements related to customer contracts;
- the implementation of the New Lassila & Tikanoja's corporate, financial, control and administrative functions, including cash management, internal and other financing, insurance, financial control and reporting, information technology infrastructure, shared information technology systems, communications, compliance functions and other administrative functions;
- the retention of key senior management and/or key employees at the New Lassila & Tikanoja and the ability to hire new qualified personnel; and
- higher than expected indirect costs related to operating as a stand-alone entity.

Should the New Lassila & Tikanoja not be able to organise its operations or implement its independent strategy as currently anticipated and in a timely manner and realise the estimated benefits of the Demerger in the manner or within the timeframe currently anticipated, it could have a material adverse effect on the New Lassila & Tikanoja's business, financial position, results of operations, future prospects and/or Share price.

The New Lassila & Tikanoja's business operations will be partially dependent on certain functions and services provided by the Demerging Company under transitional services agreements, and the Demerging Company's inability to provide these services could have a material adverse effect on the New Lassila & Tikanoja's business operations

The Demerging Company will provide certain transitional services to the New Lassila & Tikanoja for a fixed term following the implementation of the Demerger (see "*Summary of the Demerger—Related Arrangements*"). After the Demerger, the New Lassila & Tikanoja's business operations will be partially dependent on certain functions provided by the Demerging Company, such as information technology services. The provision of some of these services by the Demerging Company may be dependent on the availability of services provided by third parties. If the Demerging Company would not be able to provide the New Lassila & Tikanoja with such services, the New Lassila & Tikanoja would be required to seek new providers to provide for similar functions and services to the New Lassila & Tikanoja and negotiate related agreements or to prepare for providing such services in-house, which could lead to significant additional costs for the New Lassila & Tikanoja. Further, if the New Lassila & Tikanoja would not be able to seek new providers or prepare for providing such services in-house, or if such negotiations and preparations related thereto would take a lot of time, or if any required provider would refuse to provide the required functions and services, this could additionally lead to material disruptions in the New Lassila & Tikanoja's business operations. In addition, all of these services may not necessarily be identified before the transitional term, as a result of which some of the services may be omitted from the scope of the transitional services agreements.

Although the New Lassila & Tikanoja's intent is to put in place substitute services during the term of the transitional services agreements, which term is expected to vary between the various services within the transitional service agreements package, there is a risk that the New Lassila & Tikanoja is not able to substitute all of the services provided under the transitional services agreements during the term of the transitional services agreements, which could have a material adverse effect on the New Lassila & Tikanoja after the expiry of the transitional services agreements through, for example, significant additional costs and/or material disruptions in the New Lassila & Tikanoja's business operations. If the New Lassila & Tikanoja is required to develop substitute functions for the functions acquired under the transitional services agreements, this may have an adverse effect on the New Lassila & Tikanoja due to, for example, recruitment and development costs or delays.

Significant additional costs and/or material disruptions in the New Lassila & Tikanoja's business operations incurred because of the Demerging Company's inability to provide certain functions and services to the New Lassila & Tikanoja under the transitional services agreements, or because some of the functions or services are not identified before the transitional term, could have a material adverse effect on the New Lassila & Tikanoja's business, financial position, results of operations and future prospects.

The Demerger may have undesirable effects on the uninterrupted functionality of certain functions and processes central to the New Lassila & Tikanoja's operations, such as IT systems, which may result in interruptions and disturbances in the New Lassila & Tikanoja's business operations and its financial reporting

In connection with the Demerger, certain functions of the New Lassila & Tikanoja will be separated from the existing IT systems of the Demerging Company and integrated into the New Lassila & Tikanoja's IT environment. Any failures in the separation of the New Lassila & Tikanoja's functions may cause severe interruptions or operational disturbances in the New Lassila & Tikanoja's business operations. Among other things, the operational reliability of IT systems used in controlling business operations, risk management, and operational and financial reporting, as well as in financial functions, and in enterprise resource planning systems, is essential to the New Lassila & Tikanoja's ability to conduct business.

Despite the planned schedules, there is a risk that the separation of the new systems may be delayed, which could force the New Lassila & Tikanoja to negotiate extended maintenance and support for its current systems. An extended support period may lead to increased costs, for example related to license maintenance, and it may also increase the operational risk of the New Lassila & Tikanoja's ICT environment. Problems or disturbances in the implementation of IT infrastructure or IT systems after the Demerger, including any potential cybersecurity breaches, data leaks through application programming interfaces or other fraudulent actions, could also have a negative effect on the continuity of the New Lassila & Tikanoja's key functions and processes as well as its financial reporting. See also "*—Risks relating to the New Lassila & Tikanoja's IT systems and intellectual property rights—The New Lassila & Tikanoja's operations and services rely largely on data networks and digital solutions, and any malfunctions in and breaches or attacks targeting such networks and solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of the New Lassila & Tikanoja and lead to reputational damage*" and "*—The Circular Economy Business Area has implemented new enterprise resource planning systems and the Demerging Company is planning to implement a new financial management system in the New Lassila & Tikanoja, and any malfunctions in these systems could lead to malfunctions in service production and business operations*". Further information on certain transitional arrangements with the Demerging Company is presented in section "*Summary of the Demerger—Related Arrangements*".

Certain agreements entered into by the Demerging Company that relate to the New Lassila & Tikanoja may be terminated by the Demerging Company's counterparties as a result of the Demerger, and there can be no assurance that the New Lassila & Tikanoja and/or the Demerging Company are able to renegotiate such agreements or enter into new agreements with equally favourable terms and conditions

As is customary, some of the Demerging Company's and the New Lassila & Tikanoja's agreements entered into with third parties include customary clauses that prevent or impose limitations on transferring the rights and obligations arising from such agreements without the consent of the other party. Further, some of the agreements may also give the contracting party a right to terminate or rescind the agreement in the event of corporate reorganisation or change of control. The applicability of these clauses in the Demerger may be subject to interpretation and uncertainty. There can be no assurance that the contracting parties of the Demerging Company and/or the New Lassila & Tikanoja give their consent based on notifications and consent requests sent by the Demerging Company and/or the New Lassila & Tikanoja or that such agreements entered into by the Demerging Company that relate to the New Lassila & Tikanoja would not be prematurely terminated or rescind due to the Demerger. There is also no assurance that the renegotiated agreements and/or new replacing agreements could be entered into with equally favourable terms and conditions as the corresponding existing agreements. Such agreements may relate to, for example, information management systems, financing arrangements, data processing agreements or lease agreements.

Should agreements entered into by the Demerging Company that relate to the New Lassila & Tikanoja be prematurely terminated due to the Demerger and should the Demerging Company and/or the New Lassila & Tikanoja fail to renegotiate or seek new contractual partners to replace the terminated agreements, this may affect the continuity of certain functions and processes related to the New Lassila & Tikanoja's business operations. Interruptions in the continuity of certain functions and processes for example with regard to information management systems could therefore have a material adverse effect on the New Lassila & Tikanoja's business, financial position and results of operations. In addition, negotiations relating to new replacement agreements would require that the Demerging Company's and the New Lassila & Tikanoja's management and personnel devote time and resources thereto.

Following the Effective Date, the New Lassila & Tikanoja may not have access to fully independent group functions, and as a result, it may not be able to conduct its business efficiently

The New Lassila & Tikanoja requires effective internal controls and other group functions to prepare, among other things, reliable financial reports, including internal control and risk management systems, as well as guidelines and controls related to financial reporting. If the New Lassila & Tikanoja fails to maintain effective internal control over financial reporting or to implement or integrate necessary control procedures, this could have a material adverse effect on the New Lassila & Tikanoja's ability to produce and provide its management with timely, reliable, accurate, and up-to-date financial information on business development. These factors could lead to the management making decisions and taking actions based on incorrect or incomplete information. Further information on certain transitional arrangements with the Demerging Company is presented in section "*Summary of the Demerger—Related Arrangements*". The ongoing finalisation of the integrated structures for administration, control and risk management of the New Lassila & Tikanoja may cause additional costs for it, and until the integrated structures are completed, the New Lassila & Tikanoja may be exposed to risks related to internal control and risk management. If any of the aforementioned risks materialise, this could have a material adverse effect on the New Lassila & Tikanoja's business, financial position, results of operations, future prospects and/or Share price.

The Demerger may negatively affect the New Lassila & Tikanoja's market position, reliability and negotiating position

The New Lassila & Tikanoja's Circular Economy Business Area currently has a stable market position in its relevant markets. Following the completion of the Demerger, the New Lassila & Tikanoja may not, as an independent entity, be able to maintain the market position that it has achieved as part of the Demerging Company. The Demerger may adversely affect the New Lassila & Tikanoja's relationships with its customers and its ability to attract new customers if the New Lassila & Tikanoja is not able to convince customers of the New Lassila & Tikanoja's continued ability to fulfil their needs in terms of capabilities and quality of its services and solutions.

Further, as an independent and separate entity, the New Lassila & Tikanoja may not have the same negotiating power with its customers or agents or regarding the procurement of certain assets, vehicles and equipment as well as services it had as part of the Demerging Company's group. In addition, the New Lassila & Tikanoja may not be able to negotiate contract terms or prices comparable to those obtained prior to the Effective Date. The materialisation of any of the risks mentioned above, if realised, could have a material adverse effect on the New Lassila & Tikanoja's business operations, results of operations, financial position and future prospects.

The New Lassila & Tikanoja's carve-out financial information and pro forma financial information may not give an accurate view of the New Lassila & Tikanoja's business, financial position and results of operations

The New Lassila & Tikanoja has not in the past formed a standalone legal group, and the financial result of its operations has been consolidated with the result, financial position and cash flows of the Demerging Company. The carve-out financial information for the New Lassila & Tikanoja included in this Prospectus has been prepared on a carve-out basis from the Demerging Company's consolidated financial statements by combining the historical income and expenses, assets and liabilities and cash flows attributable to the Circular Economy Business Area of the New Lassila & Tikanoja, and certain assumptions and estimates have been made in connection with the preparation of the carve-out financial information, which affect the recognition and the amount of the assets, liabilities, income and expenses. Additional information is presented in the New Lassila & Tikanoja's carve-out financial information included in the F-pages to this

Prospectus. See also "*Certain Matters—Presentation of Financial and Certain Other Information—Carve-out Financial Information of the New Lassila & Tikanoja*" and "*Selected Combined Carve-out Financial Information*".

The New Lassila & Tikanoja's historical carve-out financial information included in this Prospectus may not necessarily reflect what the New Lassila & Tikanoja's actual operations, financial position and result of operations would have been had the New Lassila & Tikanoja and its subsidiaries operated as an independent consolidated group and had the New Lassila & Tikanoja prepared stand-alone consolidated financial statements during the periods presented, and they may not be indicative of the New Lassila & Tikanoja's future operations, financial position or result of operations. In addition, it should be noted that the corporate costs allocated to the New Lassila & Tikanoja for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if the New Lassila & Tikanoja had operated as an independent legal entity.

The New Lassila & Tikanoja may, according to management's estimates, incur additional annual costs following the Effective Date in order for the New Lassila & Tikanoja to operate as an independent listed company, as well as from organising the headquarter functions as compared to the costs allocated to the New Lassila & Tikanoja in the carve-out financial statements for the financial year ended 31 December 2024. There can be no assurance that the management's estimate of the additional costs would correspond the actual costs incurred by the New Lassila & Tikanoja from operating as an independent listed company. See also "*Operating and Financial Review—Key Factors Affecting the Results of Operations—Demerger*".

The New Lassila & Tikanoja's Unaudited Pro Forma Financial Information included in this Prospectus has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation. The Unaudited Pro Forma Financial Information illustrates what the hypothetical impact would have been if the Demerger had been consummated at the dates assumed in the Unaudited Pro Forma Financial Information and, therefore, does not represent the actual results of operations or financial position of the New Lassila & Tikanoja. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of the New Lassila & Tikanoja for any future period or as at any future date. The Unaudited Pro Forma Financial Information is based on the New Lassila & Tikanoja's carve-out financial information and the Demerger related adjustments have been made to it as presented in more detail in "Unaudited Pro Forma Financial Information". The pro forma adjustments are based on available information and assumptions, and their factual effects may differ from what has been presented in this Prospectus, and consequently the result of operations and/or financial position presented in the Unaudited Pro Forma Financial Information may differ from the New Lassila & Tikanoja's actual result of operations and/or financial position.

Risks relating to the New Lassila & Tikanoja's operating environment

Geopolitical tensions, political uncertainty and uncertain global economic and financial market conditions could adversely affect the New Lassila & Tikanoja's business, financial position, results of operations and future prospects

Global markets have in recent years experienced significant disruptions and volatility as a result of, among other things, changes in global economic conditions, geopolitical uncertainty and changes in monetary policy. Key factors contributing to increased uncertainty include, for example, the tariffs imposed by the United States of America in April 2025 and the reciprocal tariffs and the potential global economic recession they may trigger, concerns related to a slowdown of the Chinese and global economy, higher inflation, uncertainty relating to the timing of monetary policy changes and the ongoing war in Ukraine and the conflicts in the Middle East. Market conditions are likely to continue to be affected by, among other things, the slower economic and productivity growth, the prospect of continuation of higher interest rates in the United States and Europe, changes in trade policies (including large-scale global trade-conflicts) and the threat of other geopolitical events and tensions (including military conflicts and hybrid influence activities, such as cyber-attacks) as well as the development of energy prices. Furthermore, the geopolitical tensions caused by the war in Ukraine and in the Middle East may continue to cause disruptions to the global economy especially if these conflicts escalate or expand. The New Lassila & Tikanoja is particularly susceptible to macroeconomic conditions in Finland and Sweden. Of the New Lassila & Tikanoja's carve-out based net sales for the nine months ended 30 September 2025, Finland's share accounted for 92.9 per cent, Sweden's share for 5.0 per cent and other countries' share for 2.1 per cent.

Geopolitical uncertainty, problems with the availability of raw materials and energy, persistent inflation and weakened consumer confidence may affect the financial activity of the New Lassila & Tikanoja's customers, which may lead to reduced demand for the New Lassila & Tikanoja's services. It is possible that the global economy falls into a recession in the short to medium term. Additionally, geopolitical tensions and conflicts may have a significant impact on the price of oil. The increase in the New Lassila & Tikanoja's operating costs (including the rise in fuel and energy prices as well as potential changes in interest rates) may affect the New Lassila & Tikanoja's results. The impact of geopolitical tensions and adverse macroeconomic developments on the New Lassila & Tikanoja's operations have previously been primarily indirect, due to effects on general economic activity in Finland and Sweden and the rise in fuel prices.

Additionally, any restrictions on free trade, such as tariffs, import taxes or other forms of protectionism or trade war, may adversely affect global trade and the economy, and thus indirectly adversely affect the New Lassila & Tikanoja's business operations. It is difficult to predict how market conditions will develop, as the markets are influenced by macroeconomic movements in financial markets, such as changes in interest rates, inflation rates and unemployment rates, which may affect the cost of financing and the availability of goods and services as well as the general availability of employees, and by many other factors, including political actions of various countries, over which the New Lassila & Tikanoja has no control.

Any increased political uncertainty, escalation of geopolitical tensions, including military conflicts or economic slowdown or an unfavourable interest rate environment may lead to disruptions in the New Lassila & Tikanoja's operations. Such disruptions may increase the cost of operations and lead to a negative impact on the demand for the New Lassila & Tikanoja's services and solutions, and each of these factors may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja's business is susceptible to economic fluctuations, and changing market conditions and variations in the industries of the New Lassila & Tikanoja's customers may affect the demand for the New Lassila & Tikanoja's services and solutions

The New Lassila & Tikanoja's customers are susceptible to the development of the general economic situation, and economic fluctuations and slow or negative economic growth, may have an unfavourable effect on the demand for the New Lassila & Tikanoja's services and solutions. Changes in customer behaviour and demand fluctuations can be significant even over a short period, especially in the industrial and construction segments. For example, the demand for the hazardous waste and remediation business line may decline suddenly if the Finnish construction market or the general economic situation deteriorates or interest rates rise. Additionally, already ordered projects may be cancelled or postponed, or their implementation may be suspended, which could have a material adverse effect on the New Lassila & Tikanoja's business, financial position and results of operations. Further, if the New Lassila & Tikanoja loses customers, the demand for services and solutions may decrease significantly, or if a growing number of customers become insolvent, this may result in a loss of income and an increase in credit losses. Even though the New Lassila & Tikanoja's business is diversified in terms of geography and number of customers, fluctuations in customer demand, which is dependent on the economic situation, impairs the predictability of business, especially in an uncertain economic situation. Reduced demand can, in turn, affect the New Lassila & Tikanoja's negotiating power and the pricing of its services, which may have a material adverse effect on the New Lassila & Tikanoja's business, financial position, results of operations, future prospects and/or Share price.

The New Lassila & Tikanoja's business lines are competitive, and increased competition or failure in reacting to competitive situations may result in the New Lassila & Tikanoja losing market position

The New Lassila & Tikanoja operates in the competitive circular economy market. In some business lines the competitors of the New Lassila & Tikanoja have a stronger market position and financial as well as other resources than the New Lassila & Tikanoja. This may enable them to allocate greater resources to development, sales and marketing or expansion. In recent years, the New Lassila & Tikanoja's competitors have executed significant acquisitions, and there are also new international competitors in the market, as a result of which price competition has increased in some areas. Other operators may also have different ownership strategies and/or yield expectations, which may further intensify regional price competition in the future and put pressure on the New Lassila & Tikanoja's profitability. For international infrastructure investors, lower return on capital expectations may, for example, enable more aggressive growth. In order for the New Lassila & Tikanoja to be able to compete successfully, the services and solutions must be sustainable and excel in terms of quality, reliability, productivity, price, features, innovativeness and safety. The competitive environment as well as the New Lassila & Tikanoja's market position are discussed more in the section "*Market and Industry Review—Competitive landscape*". The New Lassila & Tikanoja's ability to compete in the markets is dependent on its ability to react effectively to changes in a competitive situation. For example, if its competitors were to change their focus areas, expand into new markets, lower their prices, increase investments in marketing or develop and launch new solutions or services (including more advanced digital services), it could significantly impact the New Lassila & Tikanoja's business position. Additionally, some of the New Lassila & Tikanoja's competitors may be able to adjust their cost structure more effectively in response to increasing production or personnel costs or improve their profitability in markets where production prices are decreasing more effectively than the New Lassila & Tikanoja. Increased competition, potential aggressive pricing policies adopted by competitors and/or the New Lassila & Tikanoja's failure to react to changes in a competitive situation, for example due to poor availability of labour, raw materials, vehicles and other equipment, the price level or the lack of internal development resources, may cause downward price pressure or negatively affect the New Lassila & Tikanoja's market share and profitability.

The New Lassila & Tikanoja could also face new types of competition for example if new types of services, solutions or technologies would be developed. Such services, solutions or technologies could be introduced for example by the New

Lassila & Tikanoja's existing competitors or by operators that are not necessarily considered the New Lassila & Tikanoja's direct competitors on the date of this Prospectus. In an extreme scenario, such services, solutions and technologies could even partly or in full replace some of the services, solutions or business lines currently provided by the New Lassila & Tikanoja. The circular economy market may attract, for example, industrial operators seeking to expand their operations beyond their core markets into the material value chain to secure material input by independently processing and refining material fractions, as well as other new operators aiming to benefit from the ongoing transition towards regenerative growth models and a sustainable economic system.

Materialisation of any of the above risks could lead to the loss of current or future customers and have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The green transition measures in the New Lassila & Tikanoja's customer industries may not progress as expected, and the New Lassila & Tikanoja's strategic assumptions may prove to be incorrect

Climate change and biodiversity loss are key megatrends addressed in the New Lassila & Tikanoja's strategy, and their mitigation has been identified as a business opportunity for the New Lassila & Tikanoja. The New Lassila & Tikanoja aims for growth by investing particularly in business solutions related to the circular economy of materials. According to the New Lassila & Tikanoja's strategic assessments, the growth of cities and the expectations placed on the built environment are anticipated to increase and create demand for the New Lassila & Tikanoja's services.

The identified strategic megatrends of the New Lassila & Tikanoja may not in the future develop in line with the New Lassila & Tikanoja's management expectations, which may impair the growth of the New Lassila & Tikanoja's business and adversely affect its sales and profitability as well as the ability to reach its strategic targets. The demand for services and solutions enhancing circular economy offered by the New Lassila & Tikanoja may be lower than expected, which may lead to lower sales. For example, the adoption of new technologies and the development of the circular economy in Finland have according to the Demerging Company's assessment been slowed by the fact that secondary raw materials are not able to compete with virgin and fossil raw materials, partly because commercially viable and/or industrial-scale solutions are either lacking or still in development, which could also in the future adversely affect the demand for the New Lassila & Tikanoja's services and slow down a more widespread transition towards a circular economy if systemic changes are not made in materials economy by implementing steering mechanisms that promote the circular economy. Customers' investments in solutions promoting circular economy may also be delayed or may not be realised for a number of reasons, including general economic conditions, changing regulation and delays or interruptions in projects promoting the green transition and sustainable development, which are matters beyond the New Lassila & Tikanoja's control. Changes in the New Lassila & Tikanoja's operating environment could also be due to its services not meeting client requirements or its competitors having increasingly competitive low or zero emission solutions. See also "*—Risks relating to the New Lassila & Tikanoja's business operations and strategy—The New Lassila & Tikanoja may not be successful in service development and innovation or in the development of its production processes to keep pace with competitors*" below.

Even if regulation and circular economy megatrends were to develop, in line with, or faster than, the New Lassila & Tikanoja's expectations, there can be no assurance that the New Lassila & Tikanoja would be able to meet such demand, which could be due to a range of factors (some of which are within and some beyond its control). There can also be no assurance that the ongoing regulation initiatives promoting the circular economy will be executed as planned, or that if implemented they would have a positive effect on the New Lassila & Tikanoja's business. See also "*—Business of the New Lassila & Tikanoja—Regulatory Environment*".

Customers' investments into circular economy can also be postponed or not be completed due to a variety of reasons, including, among other things, the general economic situation, changed political priorities, and customers' challenges with financing, which are reasons beyond the New Lassila & Tikanoja's control. The New Lassila & Tikanoja has experienced declining customer demand in the past, and there is no guarantee that demand will not decline again in the future.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja's business is sensitive to fluctuations in the pricing and supply of materials, raw materials, and capital goods

Market changes pertaining to the market price development of secondary raw materials, electricity, natural gas and oil products may have an unfavourable effect on the New Lassila & Tikanoja's business operations and business growth and may lead to lower profitability. Industrial interests in the direct use and utilisation of secondary raw materials expose the new Lassila & Tikanoja to changes or disruptions in raw material flows. Such changes or disruptions may reduce the availability of materials or increase their price levels, which may have an increasing effect on the production costs of the New Lassila & Tikanoja. Fluctuations in the world market price of crude oil are reflected in the price of the fuel used in production equipment as well as in the purchase prices of environmental products through oil-based raw materials.

Although the New Lassila & Tikanoja strives to reduce the fuel consumption of its vehicles and invest in low and zero-emission vehicles, higher carbon dioxide emissions and fossil fuel prices may adversely affect, among other things, the New Lassila & Tikanoja's collection and transportation operations. Increases in fuel prices may thus increase the New Lassila & Tikanoja's production costs, which may further affect the overall profitability of the New Lassila & Tikanoja, particularly if it is unable to transfer such cost increases to its customers through increased service prices. In waste management, some customer contracts include such invoicing periods and contract terms that the sales prices cannot be increased monthly, which means that the rise in fuel prices is passed on to service prices with a delay. The New Lassila & Tikanoja does not hedge fuel price risk with commodity derivative instruments. Additionally, cost increases may lead to lower margins or loss of revenue or customers to the extent that the New Lassila & Tikanoja's customers do not agree to price increases.

Although the New Lassila & Tikanoja strives to manage the raw material price risk through fixed sales prices for a period not exceeding the period for which the suppliers' purchase prices are valid, there can be no assurance that fluctuations in the world market prices of crude oil and/or other raw material prices will not have an adverse effect on the New Lassila & Tikanoja's business and profitability.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Municipalisation may limit the New Lassila & Tikanoja's ability to offer its services, which could negatively impact the New Lassila & Tikanoja's business operations and profitability

The New Lassila & Tikanoja is subject to the legal and political risk in relation to municipalisation. As at the date of this Prospectus, in Finland, municipalities are responsible for waste management originating from households and secondary residences, as well as other municipal waste, and municipalities decide how municipal waste management is organised in accordance with the Waste Act (646/2011, as amended) (the "**Waste Act**"). The Waste Act lays down criteria for the provision of market-based waste transportation, and municipalities assess the fulfilment of these criteria and whether the municipality will organise waste transportation services on a market basis. However, the criteria for market-based waste transportation are subject to interpretation, and thus the municipalisation of household waste collection may have a material adverse effect on the New Lassila & Tikanoja's business operations and profitability.

In addition, amendments were made to the Waste Act on 19 July 2021, which came into effect gradually between 1 July 2022 and 1 July 2024. The reform of the Waste Act strengthened the role of municipalities in organising the collection of packaging materials and biowaste from residential properties. As a result of the change, the New Lassila & Tikanoja's direct customer contracts with residential properties concerning the separate collection of packaging waste and biowaste were transferred to municipalities for competitive bidding gradually between 1 July 2022 and 1 July 2025, thus limiting the free market in the housing property market. According to the Demerging Company's estimate, approximately EUR 30 million will be transferred from the free competition to municipal companies in the Finnish waste management market between 2024 and 2026 due to municipalisation. The New Lassila & Tikanoja participates in municipal contract tenders and is a significant operator in municipal contracts. The Demerging Company has assessed that the overall impact of the amendments made on 19 July 2021 are negative for the Circular Economy Business Area. Municipalisation may also intensify price competition in the corporate customer segment, which may further increase the risk of declining price levels and put pressure on the New Lassila & Tikanoja's margins.

As at the date of this Prospectus, waste legislation reform is in progress, the objective of which is to implement changes to provisions concerning competitive neutrality in municipal waste management, taking into account the objectives in the government programme of clarifying municipalities' secondary waste management responsibility. Further information is provided in the section "*Business of the New Lassila & Tikanoja—Regulatory Environment*". It is difficult to predict the overall impacts of the ongoing Waste Act reform projects on the New Lassila & Tikanoja's business operations as of the date of this Prospectus, but in the Receiving Company's preliminary assessment, they could, if implemented, have a positive effect on the New Lassila & Tikanoja's business conditions and could promote the development of private service markets in Finland. However, there is no certainty that the planned projects will be realised as expected or at all, or that their impact on the Receiving Company's business operations will meet the expectations of the Demerging Company's management as at the date of this Prospectus.

If the New Lassila & Tikanoja's ability to offer its services in the future is restricted by, for example, legislative changes or political decisions, this could cause the New Lassila & Tikanoja to lose market share in the housing property market, which, in turn, could have a material adverse effect on the New Lassila & Tikanoja's business, financial condition, results of operations and future prospects and/or Share price.

The New Lassila & Tikanoja's sourcing is global, and the New Lassila & Tikanoja's business may be affected by protectionist trade policies

As the New Lassila & Tikanoja and its suppliers source vehicles, equipment, materials and commodities used in the New Lassila & Tikanoja services from various suppliers, the New Lassila & Tikanoja's business is, at least indirectly, sensitive to trade policies. The adoption of increasingly protectionist trade policies between nations exposes the New Lassila & Tikanoja to risks relating to additional costs, added complexity within its supply chains and security of supply. In recent years, increasingly protectionist trade policies have been adopted around the world, particularly in the United States and China, and it is unclear to what extent additional tariffs, duties, border taxes or other similar tax-like charges on imports may be implemented in the future and what effects such changes could have on the New Lassila & Tikanoja's sourcing and, consequently, on its operating costs. In addition, protectionist trade policies may also, for instance, force the New Lassila & Tikanoja to make changes to its supply chains, which could reduce the New Lassila & Tikanoja's sales and profitability.

Materialisation of any of the above factors may have an adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Risks relating to the New Lassila & Tikanoja's business operations and strategy

The New Lassila & Tikanoja may become liable for environmental damages, which could result in significant costs and reputational harm

The New Lassila & Tikanoja uses equipment, vehicles, machinery, fuel and certain chemicals in its business operations, which may contaminate soil, air, water and buildings, especially in the event of leaks or accidents. The New Lassila & Tikanoja may be liable for the remediation of properties contaminated by itself or by previous users of the property. The New Lassila & Tikanoja owns and leases areas with treatment centres and has areas for the temporary storage, cleaning and final disposal of contaminated soil. Certain treatment centres can serve as a final disposal site for contaminated soil as well as industrial and municipal waste. After the termination of leases or operations, the New Lassila & Tikanoja is responsible for the aftercare of the areas, including landscaping and follow-up studies, in accordance with its environmental permits. Landfill-specific risks generally relate to the durability and tightness of landfill structures, which can cause contamination in the landfill environment, such as groundwater contamination. If realised, such risks could result in significant remediation and decontamination obligations and costs, as well as reputational harm for the New Lassila & Tikanoja.

Environmental legislation and environmental protection regulations often impose strict, significant, retroactive and joint liabilities for costs and damages that the New Lassila & Tikanoja or its predecessors may have caused. Such laws, regulations and provisions have generally tightened in recent years and may become even more stringent going forward, and non-compliance may lead to substantial legal consequences, such as injunctions or other civil, administrative or criminal penalties. Waste, chemicals or other materials may have been disposed of in industrial or waste management areas or landfill areas for decades due to overlapping and potentially conflicting laws, permit practices and regulatory requirements, or due to the absence of laws, permit practices and regulations. The New Lassila & Tikanoja holds areas and may have acquired or may acquire areas where it or another party has handled waste, chemicals, or industrial materials for decades. Although the New Lassila & Tikanoja strives to assess new properties and areas by conducting due diligence as part of its acquisition process to ensure that they have been and are being used in accordance with applicable laws and regulations, there is no certainty that such assessments will exhaustively reveal existing or potential problems or liabilities. If the New Lassila & Tikanoja or the condition of its site causes an environmental hazard or risk, for example due to previously unknown contamination or other pollution, the New Lassila & Tikanoja may be required to carry out remediation, restoration or other decontamination measures in order to comply with applicable environmental legislation.

Zoning changes, such as converting land previously used for industrial purposes into residential use, may also necessitate significant remediation measures. The New Lassila & Tikanoja may seek to limit its environmental remediation and decontamination liabilities by means of contractual arrangements, to the extent permissible. Even if these arrangements are binding, they may not necessarily exempt the New Lassila & Tikanoja from liability for remediation, restoration or other decontamination actions, especially if the New Lassila & Tikanoja is responsible for the contamination. Such liabilities may also relate to properties previously owned or leased by the Demerging Company. Depending on the extent of remedial measures required by the authorities and the possible spread of contamination, for example into groundwater, the necessary decontamination, restoration or remediation activities may be significant and require multi-year monitoring. Furthermore, as successor to the Circular Economy Business Area, the New Lassila & Tikanoja may likewise be liable for potential unknown environmental liabilities associated with the Circular Economy Business Area.

Additionally, the New Lassila & Tikanoja's business involves the collection, transportation, treatment and storage of non-hazardous and hazardous waste at the New Lassila & Tikanoja's or third-party facilities and premises. Equipment failure, chemical leaks, fires or improper handling of hazardous waste may result in harmful substances contaminating soil, water bodies or air, or causing personal injuries due to explosions, poisoning or the interaction of substances. Some waste piles have a risk of spontaneous combustion, and a fire at the New Lassila & Tikanoja's site could be caused, for example, by a sorting error due to an accumulator or a battery in the waste. Such accidents could result in remediation and compensation obligations for the New Lassila & Tikanoja. Despite measures taken to prevent environmental and personal injuries and other preventive measures, human errors, vandalism or sabotage may also occur, causing significant environmental damage. Any of the above-described risks, if realised, could have a material adverse effect on the New Lassila & Tikanoja's business, financial position, results of operations, future prospects and/or Share price.

Materialisation of any of the above factors may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja's service production and service quality are partially contingent on the capabilities of its suppliers and subcontractors

The New Lassila & Tikanoja may face risks associated with its key supplies and the procurement of certain essential substances, supplies and equipment and the procurement of transport subcontracting and other subcontracting. The New Lassila & Tikanoja is not strongly dependent on individual suppliers, but it has some dependence on, for example, certain fuel and equipment suppliers, as a large part of the New Lassila & Tikanoja's business is dependent on vehicles and heavy equipment and consequently also on the price and timely availability of fuel as well as equipment usability and availability.

Delays in key suppliers' or subcontractors' capabilities to provide the New Lassila & Tikanoja with necessary commodities and services may delay services produced by the New Lassila & Tikanoja or require that the New Lassila & Tikanoja seeks alternative supply sources. Delays by the New Lassila & Tikanoja's subcontractors may also result in the New Lassila & Tikanoja not being able to perform its contractual obligations timely. Such delays may result from a number of factors, including capacity constraints, labour disputes, suppliers' or subcontractors' impaired financial position, reservation of delivery to other purchasers or weather emergencies. Further, the New Lassila & Tikanoja's production process makes use of substances, supplies and equipment procured from suppliers, and occasional quality and other defects in these may cause production delays at the New Lassila & Tikanoja's production facilities or require seeking alternative suppliers. In the worst-case scenario, quality defects in the substances, supplies and equipment fleet procured by the New Lassila & Tikanoja could lead to environmental damage. The New Lassila & Tikanoja may not be able to source alternative suppliers or subcontractors in a timely manner and at commercially competitive terms. Any significant delay in procuring from key suppliers or services rendered by subcontractors, combined with an inability to source alternative suppliers in a timely manner, could impair the New Lassila & Tikanoja's ability to deliver services to its customers and result in loss of customers or sales, and adversely affect the New Lassila & Tikanoja's reputation. In such an event, the New Lassila & Tikanoja could also lose business opportunities and/or customers, especially if the New Lassila & Tikanoja's competitors were simultaneously able to continue their business operations without interruption. In addition, a significant delay of the New Lassila & Tikanoja's services due to the suppliers' or subcontractors' financial difficulty or other difficulties could lead to additional costs for the New Lassila & Tikanoja e.g. lead to claims for late delivery penalties addressed to the New Lassila & Tikanoja. Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja may not be successful in service development and innovation or in the development of its production processes to keep pace with competitors

The New Lassila & Tikanoja aims to be the most useful partner for its customers by developing new services and supporting customers in achieving their own goals. In planning and implementing its operations, the New Lassila & Tikanoja must consider the development potential of its offering, new services, technological solutions as well as human resource development potential. The future growth and success of the New Lassila & Tikanoja will depend on its continued ability to identify and respond to changes in industry needs and to market its services in changing markets.

Being able to identify the right service offering, location of production facilities and trends, as well as dedicating sufficient development resources to them will be critical to the New Lassila & Tikanoja's ability to meet evolving customer requirements and preferences. Furthermore, the development and commercialisation of new technologies, and the entry into the market of new services or changes in, for example, how waste must be sorted, collected and treated may make the existing service offering obsolete or unmarketable in its current form. There can be no certainty that the New Lassila & Tikanoja will be able to successfully meet its customers' demands also in the future, or that its customers accept the developed new services, solutions or technologies, or that new or improved services and solutions improve the New Lassila & Tikanoja's competitive ability. The New Lassila & Tikanoja's possible assessment errors in service production and equipment technology choices may weaken its ability to meet customers' requirements and specifications, such as requirements related to responsibility and requirements and expectations set by customers concerning delivery schedules.

Additionally, when using new emerging technologies, the New Lassila & Tikanoja may have partners developing or delivering new solutions or services. Such companies may be in the early stages of the company life cycle. There is a risk that such companies may face financial difficulties and even bankruptcies or that these companies may be bought by the New Lassila & Tikanoja's competitors, which could result in delays or other disruptions in deliveries or lead to the New Lassila & Tikanoja's development efforts or the costs related thereto not being fully utilised or going to waste. The development or commercialisation of solutions for the separation of waste fractions may not proceed as planned, or the ability of the New Lassila & Tikanoja's customers to further process separated material fractions may not evolve as expected, which could weaken the New Lassila & Tikanoja's ability to execute its strategy.

In addition, there can be no assurance that new or enhanced services and technologies developed by current or future competitors will not reduce the competitiveness of the New Lassila & Tikanoja's services. The future success of the New Lassila & Tikanoja will depend on its ability to predict development, develop its own solutions, processes and services, and identify and rapidly respond to these changes in its markets.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja's merger and acquisition activities expose the New Lassila & Tikanoja to various risks that may have an adverse effect on its business operations

As part of its strategy, the New Lassila & Tikanoja seeks growth both organically and through acquisitions by cross-selling to its extensive customer base, broadening its geographical presence in the circular economy by utilising its current position in Sweden as a growth platform. The success or failure of acquisitions can affect the New Lassila & Tikanoja's ability to achieve its growth and profitability targets. The New Lassila & Tikanoja seeks to manage risks related to mergers and acquisitions through transaction agreements, strategic and financial analysis of acquisition targets, due diligence reviews and particularly by carrying out an efficient integration programme after the completion of a transaction. However, there is no certainty that the mergers, acquisitions or divestment activities initiated by the New Lassila & Tikanoja will be completed as intended or that the anticipated economies of scale or synergies are achieved.

Mergers and acquisitions can affect the New Lassila & Tikanoja's structure and statement of financial position directly or indirectly, depending on the integration and other measures related to these arrangements. Business acquisition may also require approval from competition authorities, which can take considerable time and resources.

Many of the companies acquired by the New Lassila & Tikanoja have been and will be companies that may have operated in waste management, among other sectors, and owned properties related to such operations. Hidden environmental risks and other risks may be related to the business operations of such companies and the properties owned by such companies. The business operations of many of the companies acquired by the New Lassila & Tikanoja are labour-intensive. As part of each acquisition and corporate arrangement, the New Lassila & Tikanoja seeks to identify potential occupational risks, premature retirement risks and other risks and liabilities related to employees. These risks may be hidden by nature, and they may not be identifiable before the acquisition is completed or manageable through contractual terms. Hidden liabilities may later be discovered in acquired companies and business operations, and such liabilities may expose the New Lassila & Tikanoja to claims for damages or other unforeseen adverse effects.

When acquiring a new business, the buyer typically makes certain assumptions and decisions about the business based on the information available at the time of acquisition, but these assumptions and decisions may prove to be incorrect. Additionally, not all risks, obligations and deficiencies related to the acquisition target may be identifiable at the time of acquisition, which can lead to significant additional costs and liabilities for the New Lassila & Tikanoja.

The acquisition of a business and the subsequent integration of the acquired business can be a complex, costly and a time-consuming process. Integrating the acquired business requires, among other things, knowledge of local markets; integration of information systems and structures, service offerings, corporate cultures and customer bases; as well as onboarding new personnel in areas such as compliance, data protection and information security, as well as sustainability. To succeed in these tasks, management must devote significant time and resources to integrating the new business and operations, which may at least temporarily reduce the management's resources for other business development and disrupt both the buyer's and the target company's business. If the process is carried out inefficiently, the expected benefits may not be realised.

Potential sales of businesses or associated companies may not be completed on favourable terms for the New Lassila & Tikanoja. The terms of such sales may include, for example, deferred payment of the purchase price, to which the New Lassila & Tikanoja would be entitled under certain circumstances. In such situations, the contractual partner may be unable to fulfil its obligations or dispute the deferred payment obligations, resulting in the New Lassila & Tikanoja, as the seller, not receiving the purchase price from the contractual partner in full or at all.

If the New Lassila & Tikanoja fails to integrate the acquired businesses, it may lead to a decline in profitability and impairment of goodwill or other assets. Conversely, if the New Lassila & Tikanoja fails to sell its current or future businesses on favourable terms, it may lead to disputes and adversely affect the New Lassila & Tikanoja's revenue. There is no certainty that the measures the New Lassila & Tikanoja has in place to minimise the risks associated with acquisitions and corporate arrangements are sufficient to manage latent or other liabilities and ensure the profitability of such transactions or arrangements.

Although the New Lassila & Tikanoja expects to continue acquisitions in the future, there is no certainty that it will find suitable targets.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, competitiveness, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The insurance coverage of the New Lassila & Tikanoja may not be sufficient

From the Effective Date, the existing insurance coverage of the Demerging Company will no longer cover the New Lassila & Tikanoja when it becomes an independent legal entity. Therefore, the New Lassila & Tikanoja has negotiated replacement insurance coverage for its business. From the Effective Date, the New Lassila & Tikanoja will have insurance covering certain risks, including personnel, property, interruption, liability, environmental and transportation damages, which will cover all the New Lassila & Tikanoja's operating countries and subsidiaries. The insurance has been obtained on terms that the future management of the New Lassila & Tikanoja has deemed to be in line with market practices.

The New Lassila & Tikanoja should, however, not be considered fully insured against all risks, including cyber risks, and insurance against all types of risks and catastrophic events may not be available on economically reasonable terms or at all. The New Lassila & Tikanoja's insurance coverage, and thus possibly the New Lassila & Tikanoja's insurance protection, also has limitations, such as deductibles, maximum liability amounts and possible corrective claims, which affect the final amount of possible insurance compensation and may not cover all damages resulting from exceptional events, such as loss of revenue. Although the New Lassila & Tikanoja believes that it has sufficient insurance for its operations and that the insurance coverage from the Effective Date onwards corresponds to industry practice, the New Lassila & Tikanoja may incur damages that exceed the limits of its insurance contracts or that fall outside their scope of coverage, including possible environmental remediation. There is no certainty that the New Lassila & Tikanoja's insurance will adequately cover all such costs or part of them if such cases occur. Although the policy of the Circular Economy Business Area has been to cover the risks related to such activities as much as possible with contractual liability limitations, this may not always provide sufficient financial protection.

There is also no certainty that the renegotiated insurance contracts and/or new replacement insurances can be made on terms as favourable as the corresponding current insurances also in the future.

Notwithstanding the insurance coverage that the New Lassila & Tikanoja carries, the occurrence of an insurance event where the damage caused exceeds the insurance coverage under the insurance policy, or to which material deductions or deductibles apply, or damage caused by events falling outside the insurance coverage, such as certain natural catastrophic events, may have a material adverse effect on the New Lassila & Tikanoja's business, financial position and results of operations. Natural catastrophic events to the risk of which the New Lassila & Tikanoja is exposed include, among other things, windstorms, exceptional weather conditions and floods, which are inherently unpredictable in terms of both their occurrence and severity. The New Lassila & Tikanoja may also be exposed to acts of vandalism, the occurrence of which could result in, for example, property damage and losses due to business interruption, which could have a material adverse effect on the New Lassila & Tikanoja's business operations.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja may face various challenges in pursuing its sustainability targets, and if the New Lassila & Tikanoja fails to meet such targets it could lose one or more key customers

The New Lassila & Tikanoja's business is impacted by the challenges related to climate change and its mitigation. In accordance with the expectations of all stakeholders and in order to preserve and develop its business model, the New Lassila & Tikanoja has had to significantly reduce and must continue to reduce its environmental impact, especially climate, across its entire value chain. In order to succeed in this, the New Lassila & Tikanoja must reduce not only emissions related to its own operations but also emissions generated in its supply chain and the services it sells. Moreover, the New Lassila & Tikanoja expects to continue to experience tightening customer demands in this respect, as customer expectations with respect to the sustainability of the Circular Economy Business Area continue to increase. In addition to being exposed to risks related to decarbonisation, the ongoing transition process to electrification of light vehicles and increasing use of renewable fuel in heavy vehicles causes new risks, the realisation of which can have significant financial effects. These effects can lead, for example, to impairments of assets due to the shortened life cycles of equipment, as well as additional costs related to the introduction of new technologies, which may arise in service development and the realisation of project risks.

While the New Lassila & Tikanoja's environmental policy and practices and the level of transparency of operations relating to them are foundational to its business, they also expose the New Lassila & Tikanoja to several risks. Achieving its environmental objectives may require the New Lassila & Tikanoja to expend significant resources, and it may divert the attention of the New Lassila & Tikanoja's senior management and key personnel, weaken the New Lassila & Tikanoja's competitiveness, or otherwise limit the New Lassila & Tikanoja's ability to make investments in its growth, and, as a result, harm the New Lassila & Tikanoja's business, results of operations, financial position and future prospects.

The New Lassila & Tikanoja may also be unable to succeed in implementing technical, economical, sustainable and fossil free solutions, in obtaining and securing the procurement of e.g. low-emission fleet as well as in complying with greenhouse gas reductions and sustainability-related requirements set by its customers. The New Lassila & Tikanoja may potentially lose market share if it fails to invest in these solutions while competitors succeed in doing so. Moreover, in order to reduce its supply chain emissions, the New Lassila & Tikanoja must also reduce emissions across its entire value chain, from waste collection to the use of recycled material or fuel.

The New Lassila & Tikanoja may fail or be unable to achieve one or more of its own or its customers' sustainability targets due to a range of factors (some of which are within and some beyond its control), such as the lack of required energy infrastructure or additional emissions caused by potential growth, or the New Lassila & Tikanoja may adjust or modify its stated goals in light of new information, adjusted projections or a change in business strategy, any of which could lead to the loss of key customers and may negatively impact the New Lassila & Tikanoja's brand, reputation, competitiveness, and market share.

The New Lassila & Tikanoja has incurred and may also in the future incur additional costs and require additional resources relating to monitoring, reporting and complying with various sustainability practices and regulation to achieve its sustainability goals. For example, in the European Union ("**EU**"), the Non-Financial Reporting Directive has been replaced by expanded sustainability reporting requirements under the Corporate Sustainability Reporting Directive ("**CSRD**"), which the New Lassila & Tikanoja will have to apply starting from the financial year 2025. The New Lassila & Tikanoja's brand, reputation and business could be negatively impacted if any of its disclosures, including its carbon footprint numbers, reports to third-party stakeholders or reports against its sustainability and environmental goals and targets, are inaccurate or perceived or alleged to be inaccurate or if the New Lassila & Tikanoja fails to comply with any other sustainability regulations. In addition to the CSRD, the EU has passed several acts such as the Corporate Sustainability Due Diligence Directive, which is subject to national implementation as at the date of this Prospectus. Furthermore, the EU is preparing several other regulatory initiatives which require companies to address the negative social and environmental impacts of their operations, including in their value chains within and outside Europe, as well as to implement the EU's carbon border adjustment mechanism, which may necessitate changes to the New Lassila & Tikanoja's value chain structure or result in higher costs in the future. In addition, by taking the relevant requirements into account in designing its logistics, value chain and associated capital expenditure in order to implement its sustainability targets. The New Lassila & Tikanoja may incur additional costs and capital expenditure, which could have a negative effect on the New Lassila & Tikanoja's business and financial position.

Failure to meet sustainability targets and objectives could expose the New Lassila & Tikanoja to consequences such as the loss of customers, business opportunities and markets, difficulties in securing financing, reputational damage, disqualification from public procurement processes, a significant increase in taxes related to greenhouse gas emissions as well as a decrease in the Share price.

Safety risks, if materialised, could result in operational disruptions, liability or significantly harm the New Lassila & Tikanoja's reputation

Safety risks include safety and health risks, occupational safety risks, environmental risks and catastrophe risks (for example fire, explosion and natural phenomenon risks) and premise security and material risks.

The New Lassila & Tikanoja has taken precautions against safety risks in its operations through, among other things, occupational health and safety policies and guidelines, certification principles, rescue planning and premises and information security instructions. The New Lassila & Tikanoja also proactively identifies the dangers and risks associated with its services and various work assignments. In addition, the New Lassila & Tikanoja encourages its personnel to engage in proactive safety work, such as making safety observations, conducting Safety Walk safety tours and participating in safety briefings. Despite this, exceptional events such as fires and explosions, releases of high-temperature steam or water, structural collapses, machinery or IT system failures, mechanical defects, extensive or exceptional maintenance, road construction or the closure of primary access routes, floods, windstorms or other extreme weather events, as well as environmental damage, may adversely affect production at the New Lassila & Tikanoja's plants and facilities or at the plants and facilities of the New Lassila & Tikanoja's customers where the New Lassila & Tikanoja's personnel work. In addition, climate change increases the risk of extreme weather events and natural disasters, such as floods, storms, fires and heatwaves. The New Lassila & Tikanoja's facilities and its services offered may be exposed to such risks and suffer from them via, for example, damages to infrastructure, decline in service quality or higher operating costs. At its customers' facilities, the New Lassila & Tikanoja has limited ability to influence arrangements and conditions outside its own operations, which may expose some of the New Lassila & Tikanoja's personnel to safety, health and occupational safety risks.

The New Lassila & Tikanoja's business includes the collection and transport as well as processing of non-hazardous and hazardous waste at its own plants. The New Lassila & Tikanoja handles and transports hazardous waste and chemicals, which may be flammable and cause harmful emissions or physical injury. In addition, the materials processed and stored by the New Lassila & Tikanoja include wood chips, recycled fuels, energy fractions and other flammable waste fractions. Incorrect handling of hazardous waste or damage to equipment may result in harmful substances being released into the environment. Despite the precautions taken, various occupational safety and environmental risks may arise in the New Lassila & Tikanoja's manufacturing operations.

The manufacturing of the New Lassila & Tikanoja's services may result in personal injuries, including potentially fatal incidents as well as accidents leading to severe damage to the environment or property or accidents leading to disruptions of customers' production. The occurrence of a major accident in the New Lassila & Tikanoja's production operations or the closure of such operations due to unforeseen events could result in significant disruptions to the New Lassila & Tikanoja's business operations and may lead to substantial costs or liabilities. Such accidents may also result in the New Lassila & Tikanoja being subject to, either individually or in aggregate, significant claims or sanctions as a defendant in legal or administrative proceedings.

The occurrence of any of the aforesaid factors could cause interruptions in the New Lassila & Tikanoja's business operations, increase service production costs, result in an occupational accident or casualty, cause damage to property or the environment and result in liability for damages for the New Lassila & Tikanoja and significantly harm the New Lassila & Tikanoja's reputation and could therefore have a material adverse effect on the New Lassila & Tikanoja's business, financial position, results of operations, future prospects and/or Share price.

The New Lassila & Tikanoja's contracts may be subject to early termination or include onerous terms

Some of the Circular Economy Business Area's existing customers have, and future customers may have, the right to terminate their contracts without cause in compliance with applicable notice periods. In addition, under certain circumstances the Circular Economy Business Area's existing and future contracts may permit a customer to terminate its contract early without the payment of any termination fee, as a result of non-performance or delay or defect in services or force majeure events. Many of these events are beyond the New Lassila & Tikanoja's control, such as possible delays or quality defects on the part of the New Lassila & Tikanoja's suppliers or subcontractors. Early termination of contracts may reduce the planned revenue of any businesses based on terminated contracts. In certain contracts, the customer may have the right to transfer any rights, benefits or interests at their discretion. The New Lassila & Tikanoja's customer and other agreements may also include onerous terms, such as insufficient limitations of liability, warranties or indemnity undertakings, or other contract terms restricting the operations of the New Lassila & Tikanoja, such as non-competition, non-solicitation, non-transferability, or minimum purchase obligations. In addition, contracts may limit the New Lassila & Tikanoja's ability to review its service pricing, which, in the event of production costs rising, may affect the New Lassila & Tikanoja's overall profitability, particularly for long-term contracts. As a result of such contractual terms, the New Lassila & Tikanoja may bear risks for which the New Lassila & Tikanoja's ability to react, for example to changed circumstances, may be limited, and the realisation of such risks may adversely affect the actual profitability of the services sold under these agreements.

During periods of challenging market conditions, the New Lassila & Tikanoja may be subject to an increased risk of its customers seeking to repudiate their contracts, including through claims based on anticipated, actual or alleged non-performance based on e.g. contract terms described above. If the New Lassila & Tikanoja's customers terminate their contracts with the New Lassila & Tikanoja and the New Lassila & Tikanoja is unable to secure new contracts on a timely basis and on substantially similar terms, the New Lassila & Tikanoja's sales and revenue may decrease. Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja's public sector projects may involve risks related to public procurement and compliance with regulations

Public procurement constitutes a significant part of the New Lassila & Tikanoja's customer acquisition, as a significant portion of New Lassila & Tikanoja's customers are municipalities and other public sector customers. Contracts for the separate collection of packing and biowaste from residential properties were transferred to municipalities for competitive bidding gradually between 1 July 2022 and 1 July 2025, due to municipalisation. See also "*—Risks relating to the New Lassila & Tikanoja's operating environment—Municipalisation may limit the New Lassila & Tikanoja's ability to offer its services, which could negatively impact the New Lassila & Tikanoja's business operations and profitability*" above.

Public sector assignments are generally awarded according to public procurement, which involves the risk of tough price competition. If multiple participants in a public sector tender meet all the other set criteria, the one with the lowest price is typically selected from the qualifying bidders. The New Lassila & Tikanoja is dependent on the policies of its public sector customers, including those related to property and infrastructure investments. Contracts between the New Lassila & Tikanoja and public sector customers may be subject to audits, which could lead to adjustments in reimbursable contract costs or, if the New Lassila & Tikanoja is accused of misconduct, possible temporary or permanent exclusion from public tenders or sanctions related to participation in them. The New Lassila & Tikanoja may also not be able to negotiate contract terms with public sector customers, which could weaken the profitability of the contract.

In addition, for public sector customers, the New Lassila & Tikanoja or its subcontractors' failure to comply with applicable laws, regulations or customer requirements may result in fines, damages or interruptions for the New Lassila & Tikanoja. Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja may not succeed in managing its projects, which could result in additional costs, business losses or disputes

Part of the New Lassila & Tikanoja's business involves projects for which the duration is typically short, but certain projects can, however, last up to a few years. The New Lassila & Tikanoja's project business includes, for example, process cleaning contracts for industrial customers, annual maintenance and landfill closure contracts, as well as contaminated soil remediation projects in environmental construction. In project deliveries, the customer can order the project as a single entity, in which case the project typically involves one performance obligation. The contract may also include several separate items, each of which constitutes a separate performance obligation. The success of these projects significantly depends on the skills, experience and performance of the New Lassila & Tikanoja's key persons. Such projects can involve significant risks, especially, if the duration of the project is extended and the project cannot be executed or completed in accordance with the agreed schedule, specifications and pricing. The initial requirements implied by the customer may have changed before the actual delivery of the services, which may incur additional costs and require additional resources to meet customer requirements. The New Lassila & Tikanoja may not succeed in preparing accurate estimates regarding its projects, and the desired profitability levels of such projects may not necessarily be reached. Additionally, in the past, the New Lassila & Tikanoja's customers have been forced to delay and cancel projects or change the scope of their order, for instance as a result of changed market conditions or a customer's rescheduled plant shutdown, causing unforeseen disruptions to a particular project's timetable or lead to a project's cancellation.

High-quality project management plays an important role in managing the business risks of the New Lassila & Tikanoja. However, the risk of possible quality issues in the New Lassila & Tikanoja's customer projects can never be completely ruled out due to the projects' complex nature, and if such risks are realised, they may cause delays in the completion of the projects and negatively affect the profitability of projects. Projects may also involve, for example, contractual, supplier, subcontractor and technology risks as well as handling and transportation risks. Many of the risks arising from the delivery of projects must be managed and mitigated through good contract negotiation and management systems. However, large and international customers in particular often require adherence to their own contractual terms and conditions, which may include unfavourable liability limitations to the New Lassila & Tikanoja, providing only limited room for the New Lassila & Tikanoja to manage risks through contractual terms and conditions. Long-term projects typically include larger project management risks than short-term projects. For example, evaluations of a contract's profitability may fail if the New Lassila & Tikanoja's production costs develop unfavourably during the contract period and it is not possible for the New Lassila & Tikanoja to unilaterally adjust the price.

Any cancellation or deferrals of significant projects could harm the New Lassila & Tikanoja's margins, increase the need for write-offs and restrict the New Lassila & Tikanoja's ability to fund its operations, while the variation and delays in orders, project timelines and estimates may result in disputes, monetary claims raised by customers as well as general business unpredictability. Reputational damage resulting from failures to meet customer requirements or widely publicised perceived shortcomings in the New Lassila & Tikanoja's performance could result in the loss of future business opportunities from both existing and potential customers. Disagreements concerning the New Lassila & Tikanoja's contractual performance could also result in disputes, which could potentially lead to litigation or arbitration proceedings. Such proceedings could result in substantial costs, require significant time and effort, and result in negative publicity for the New Lassila & Tikanoja.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja's key customer relationships may be discontinued, or customers may have to decrease their purchases

During the financial year 2024, the New Lassila & Tikanoja's 20 largest customers according to sales accounted for approximately 25 per cent of the New Lassila & Tikanoja's total sales on a carve-out basis. During the same period, the Circular Economy Business Area's biggest customer accounted for approximately 3 per cent of the New Lassila & Tikanoja's total sales on a carve-out basis. Although the New Lassila & Tikanoja's current customer base is well diversified and decentralised, orders by certain customers may represent a significant part of the New Lassila & Tikanoja's sales in a single financial year, and certain customers may have considerable bargaining power, and by way of municipalisation, the number of such customers may grow. See also *"—Risks relating to the New Lassila & Tikanoja's operating environment—Municipalisation may limit the New Lassila & Tikanoja's ability to offer its services, which could negatively impact the New Lassila & Tikanoja's business operations and profitability*" above. Such key customers may decide not to continue purchasing the New Lassila & Tikanoja's services, or they may reduce the number of purchases or require the application of terms and conditions that are less favourable to the New Lassila & Tikanoja. A significant reduction of key customers' purchases or the discontinuation of key customers' relationship with the New Lassila & Tikanoja or any failure of or material impediment in the ability of the New Lassila & Tikanoja's customers to purchase the New Lassila & Tikanoja's services may have a negative impact on the New Lassila & Tikanoja's sales, which could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Risks relating to the New Lassila & Tikanoja's IT systems and intellectual property rights

The New Lassila & Tikanoja's operations and services rely largely on data networks and digital solutions, and any malfunctions in and breaches or attacks targeting such networks and solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of the New Lassila & Tikanoja and lead to reputational damage

The uninterrupted continuity and operational reliability of IT systems essential to the New Lassila & Tikanoja's business may be at risk due to the Demerger. The Circular Economy Business Area's operations are highly dependent on the availability, reliability, quality, confidentiality and integrity of its information management and IT systems, websites, IT services and related information tracking and communications systems (the "**IT Systems**"). The New Lassila & Tikanoja's ability to effectively manage and maintain its operations and inventories, oversee logistics, deliver services and products to customers in a timely manner, maintain cost efficiency, respond to customer sales inquiries and process sales transactions is dependent on the IT Systems. The hosting and maintenance of IT Systems may, to a large extent, rely on third parties, including public cloud, private cloud, data centres and application support. These IT Systems process, transmit and store electronic information, including sensitive data, such as confidential business information and personal data relating to employees, customers and other business partners. As the Circular Economy Business Area focuses on a data-driven business model, the functioning of the New Lassila & Tikanoja's information systems is of crucial importance in reaching its strategic, operational and financial goals.

Although the Demerging Company believes that the Circular Economy Business Area currently used and future IT Systems are reliable and meet its operational requirements, there is no certainty that these IT Systems will not require repairs or will not be subject to technical or other defects. At least the following factors may cause malfunctions such as delays in the delivery of materials, services or equipment, or cybersecurity breaches of information systems relevant to the New Lassila & Tikanoja, or its customers, contractors, business partners, vendors or other third parties:

- criminal hackers, hacktivists or state sponsored organisations;
- computer viruses and worms, denial of service or phishing attacks or industrial espionage;
- intentional or unintentional errors or misconduct by current or former employees producing the New Lassila & Tikanoja's services and solutions, customers using the services and solutions or third parties;
- planned or unplanned updates, outages or maintenance breaks by the New Lassila & Tikanoja's IT System providers;
- technological errors resulting from maintenance and upgrading activities;
- power outages or surges as well as floods, fires or natural disasters; or
- telecommunication outages in wide area network backbone, local last mile connections, site local area network or mobile connections.

Any malfunctions in IT Systems or cybersecurity breaches in IT security or in the New Lassila & Tikanoja's connected and/or software intensive equipment and services could engender disruptions to production and delivery. Such malfunctions or breaches could expose the New Lassila & Tikanoja and its customers, employees and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, fraudulent actions, defective services, production downtimes and operational disruptions. In addition, such breaches in security could result in litigation, regulatory action and potential liability, as well as in additional costs and operational consequences for implementing further data protection measures. It may also be difficult for the New Lassila & Tikanoja to detect cybersecurity breaches upon their occurrence, which could have an impact on the extent of damage. Any and all information security risks and incidents may have a material adverse effect on the New Lassila & Tikanoja's business performance and may lead to higher total business operation and project costs, reputational damage and a loss of market share to competitors or market disruptors. As the Receiving Company's business is dependent on connected and/or software intensive equipment and services, materialisation of any information security risks or incidents relating to such equipment and services, such as cyber or hybrid attacks, could result in reputational damage as well as in legal claims or penalties and/or costly countermeasures, which may not be covered by the New Lassila & Tikanoja's insurance coverage.

In addition, the New Lassila & Tikanoja may not succeed in realising the benefits of improving operations through technology and data systems. The success of development projects is important as the New Lassila & Tikanoja's enterprise resource planning, financial, human resources and risk management functions are highly dependent on IT Systems and on the New Lassila & Tikanoja's ability to operate them efficiently and safely. Such internal IT Systems include enterprise resource planning and advanced planning and scheduling systems, client relationship and maintenance management systems, as well as human resources management systems, which the New Lassila & Tikanoja uses to control business operations, manage its risks, create operating and financial reports as well as to execute treasury operations.

Additionally, there may be a risk of the New Lassila & Tikanoja having to enter into new data processing agreements with relevant third parties to ensure compliance with applicable data protection laws and overall control over its contractual relationships with suppliers, if these agreements cannot be transferred or renegotiated in connection with the implementation of the Demerger.

The materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The Circular Economy Business Area has implemented new enterprise resource planning systems and the Demerging Company is planning to implement a new financial management system in the New Lassila & Tikanoja, and any malfunctions in these systems could lead to malfunctions in service production and business operations

Any failures in implementing the new IT Systems in the New Lassila & Tikanoja may result in severe interruptions and operational disturbances in the New Lassila & Tikanoja's business operations.

In the Circular Economy Business Area, new enterprise resource planning systems ("**ERP Systems**") were implemented in stages between November 2024 and September 2025. The implementation phase of the second system will continue in certain parts until the end of 2025. Additionally, within the Circular Economy Business Area, a new financial management system development project is currently in progress as at the date of this Prospectus. This initiative will replace some of the systems currently used in the Circular Economy Business Area. The new financial management system as a whole will be transferred to the New Lassila & Tikanoja, and the new financial management system is intended to be implemented during the second quarter of 2026.

The New Lassila & Tikanoja may also initiate new information system renewal and development projects in the future, and the implementation of any new system may cause temporary overlapping costs due to changes in the operating model, which could negatively impact the New Lassila & Tikanoja's results. There is also no certainty that the implementation process of new IT System development projects will be completed within the expected timeframe or that the anticipated benefits of the new IT Systems will be achieved. The renewal of business-critical systems may also cause disruptions in the New Lassila & Tikanoja's service production, business operations or customer service. Despite the planned timelines, there is a risk that the implementation of new systems may be delayed, which may force the New Lassila & Tikanoja to negotiate extended maintenance and support with current support providers. The extended support phase may lead to increased costs regarding, for example, the license maintenance, and may also increase the operational risk on the New Lassila & Tikanoja's ICT environment. Failures in the implementation phase of ERP Systems or the financial management system may lead to increased operational risk related to the New Lassila & Tikanoja's enterprise resource planning environment and may subject the New Lassila & Tikanoja to additional costs. There can be no assurance that the New Lassila & Tikanoja will achieve the process improvement targets set for the new programmes, and failure to meet such targets may result in additional costs related to operations and lower process efficiency. Furthermore, the New Lassila & Tikanoja may experience data degradation or data loss in the migration.

Problems or malfunctions in the implementation of IT infrastructure or systems after the Demerger may also negatively affect the continuity of the New Lassila & Tikanoja's business operations and financial reporting. Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja may not be able to protect its brand and intellectual property in all circumstances and may itself be subjected to claims of intellectual property infringement

The Demerging Company has taken measures to protect the New Lassila & Tikanoja's intellectual property by acquiring trademarks and domain names and monitoring them in its main markets, and the New Lassila & Tikanoja is expected to continue doing so in the future. In addition to trademarks and domain names, the New Lassila & Tikanoja seeks to protect its intangible assets, which consist of trade and business secrets and know-how, for example through non-disclosure agreements. However, there is no certainty that the measures taken by the New Lassila & Tikanoja will effectively prevent the unauthorised use of the New Lassila & Tikanoja's intangible assets by competitors in all its operating countries. Competitors may infringe upon the intellectual property rights owned or licensed by the New Lassila & Tikanoja, or disputes may arise regarding the ownership of intangible assets owned, used or licensed by the New Lassila & Tikanoja, and competitors may otherwise gain knowledge of or independently develop expertise equivalent to intangible assets, such as know-how. Additionally, some of the technologies and processes used by the New Lassila & Tikanoja may be subject to third-party intellectual property rights. Such third parties may take legal action if their intellectual property rights are infringed, and such action may delay or prevent the sale or delivery of the New Lassila & Tikanoja's services. Failure to protect intangible assets or claims of infringement of third-party intellectual property rights may result in reputational harm, claims for liability for damages, contractual penalties, fines, regulatory enforcement action or loss of customers, and have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Risks relating to the New Lassila & Tikanoja's management and employees

Risks related to the New Lassila & Tikanoja's personnel's work capacity and premature retirement

A significant part of the New Lassila & Tikanoja's employees carry out physically strenuous work and/or processes waste or hazardous waste as part of their work. The reduced working capacity of employees can adversely affect, among other things, the operation of the New Lassila & Tikanoja's facilities and increase the risk of errors, accidents and environmental harm. Additionally, workforce health issues can impair the continuity of the New Lassila & Tikanoja's operations and the availability of services, thus negatively impacting the New Lassila & Tikanoja's competitiveness, business and profitability.

As an employer the New Lassila & Tikanoja is also fully liable for pension expenses resulting from employees' work disability. An increase in sickness absences and the personnel's disability and accident pension costs may materially and adversely affect the New Lassila & Tikanoja's competitiveness and profitability. The New Lassila & Tikanoja's pension contribution class is determined based on the pension expenses of its employees. A higher employment pension contribution class means an increase in the New Lassila & Tikanoja's social security cost rate, which has a material cost effect on the New Lassila & Tikanoja as a major employer. Despite the New Lassila & Tikanoja's attempts to prevent accidents and other work-related disability cases, there can be no assurance that the means available to the New Lassila & Tikanoja will suffice, and that risks related to personnel's work capacity and premature retirement or changes in the New Lassila & Tikanoja's employment pension contribution class will not occur.

Materialisation of any of the above factors could have a material adverse effect on the competitiveness, business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja operates in a labour-intensive industry and failures in recruiting skilled personnel, losing senior managers or key employees or other disruptions in the availability or work capacity of personnel may adversely affect the New Lassila & Tikanoja's business, and it may fail in recruiting and retaining people with the required skill set

The New Lassila & Tikanoja has identified 15 strategic risks related to the potential decline in employee satisfaction, which may increase employee turnover and thus exacerbate the general labour shortage. The New Lassila & Tikanoja is dependent on the working capacity of its senior management and key personnel and their continued employment with the New Lassila & Tikanoja and the loss of certain key personnel during the demerger process could adversely affect the New Lassila & Tikanoja's results of operations or profitability. The loss of key employees, or an inability to hire and/or retain skilled senior management, could prevent the New Lassila & Tikanoja from carrying out or developing its business successfully. Any insufficiencies in the intellectual property rights, confidentiality, non-solicitation and non-competition provisions in the New Lassila & Tikanoja's employment agreements with its key personnel may lead to the New Lassila & Tikanoja not being fully protected against the key employee breaching obligations regarding trade secrets or confidential information, competing with the New Lassila & Tikanoja, or soliciting its employees, customers or other business partners, which could have a material adverse effect on the New Lassila & Tikanoja's business and competitive position. The New Lassila & Tikanoja may not be entitled to liquidated damages in case of breaches of contractual obligations by some of its key employees, unless they are made intentionally or by gross negligence.

The performance and execution of the strategy of the New Lassila & Tikanoja also depends upon the skilled personnel and its ability to identify, attract, develop, motivate and retain professional personnel. The New Lassila & Tikanoja competes with other employers to recruit and hire from a limited pool of potential employees with the required eligibility, technical skill set and industry experience. Challenges in the availability and turnover of the workforce could hinder the New Lassila & Tikanoja's service production or prevent it from expanding and developing its operations. The training of new employees requires a large amount of time and resources and may disrupt the normal course of the New Lassila & Tikanoja's operations. Furthermore, a high employee turnover, prolonged and large-scale sick leaves or other absenteeism of personnel and an inability to move personnel according to the New Lassila & Tikanoja's operational needs could also cause delays or quality failures, leading to penalties or losses of existing and potential customers or to difficulties in recruiting people. Additionally, the age structure of the population in the New Lassila & Tikanoja's domestic market intensifies competition for workforce. If the New Lassila & Tikanoja fails in retaining senior managers or key personnel or recruiting new talent, it could have a negative impact on the performance, efficiency or implementation of the New Lassila & Tikanoja's strategy.

The New Lassila & Tikanoja's reputation and employer image are important factors for the New Lassila & Tikanoja when competing for professional workforce. It is possible that the New Lassila & Tikanoja cannot retain its positions as an attractive employer in its industry in line with its goals. Failure to meet employee expectations or negative publicity directed at the New Lassila & Tikanoja's operations, industry, financial position, service quality or possible allegations of deficiencies or neglect in occupational safety or compliance with laws and regulations can adversely affect the New Lassila & Tikanoja's reputation and employer image among its current and potential employees as well as other key stakeholders.

Improving employee experience is a strategic goal for the New Lassila & Tikanoja, and the company aims to manage employee-related risks by investing in diversity, employee experience, recruitment and employer branding. The New Lassila & Tikanoja continuously strives to enhance its onboarding processes and leadership practices. Additionally, the New Lassila & Tikanoja aims to ensure the availability of personnel by utilising lease work, which is subject to the same rules and requirements as the New Lassila & Tikanoja's own employees. However, there is no certainty that the New Lassila & Tikanoja's measures will be sufficient to attract and retain competent management and personnel under all circumstances.

The materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja is subject to the risk of adverse employee relations or labour disputes

As of 30 September 2025, the New Lassila & Tikanoja had 2,337 employees on a carve-out basis in Finland and Sweden. As the New Lassila & Tikanoja's business is labour intensive, maintaining good relationships with the New Lassila & Tikanoja employees, unions and other employee representatives is crucial to the New Lassila & Tikanoja's operations.

The New Lassila & Tikanoja's employees are covered by certain peremptory collective agreements. The New Lassila & Tikanoja, its subcontractors or employer or employee associations may not necessarily be able to negotiate new collective labour agreements with satisfactory terms and conditions when the existing agreements expire. Work stoppages, strikes or other labour disputes in the business sectors related to the New Lassila & Tikanoja's business may cause disruptions in the New Lassila & Tikanoja's operations resulting in the New Lassila & Tikanoja not being able to offer its services to customers and, thus would weaken the New Lassila & Tikanoja's profitability and increase its costs.

During the last years, several change negotiations have taken place in the Demerging Company. The change negotiations have primarily focused on facility services remaining with the Demerging Company, but also partly on the New Lassila & Tikanoja's Circular Economy Business Area. Possible deterioration of any employee-relationships, including unsuccessful change management in connection with the Demerger, could result in disruptions of the New Lassila & Tikanoja's operations. Furthermore, any potential plans to develop or restructure the New Lassila & Tikanoja would be subject to the applicable national information and consultation obligations which may to some extent affect the New Lassila & Tikanoja's ability to restructure its operations and organisation or entail additional costs. Potential dissatisfaction among employees could have adverse impacts on the New Lassila & Tikanoja's operations through, for example, increased employee turnover.

Additionally, increased costs of labour due to e.g. high inflation, including the costs of employee benefits plans as well as labour disputes, work stoppages or actions by labour unions could undermine the New Lassila & Tikanoja's competitiveness or lead to disruptions in operations. The New Lassila & Tikanoja cannot assure that potential future issues with its employees or labour unions will be resolved favourably or that it will not encounter future strikes, other unionisation efforts or other types of conflicts with labour unions or employees. Furthermore, the New Lassila & Tikanoja must inform and consult with union representatives or works councils in managing, developing or restructuring certain aspects of its business, which may impair the New Lassila & Tikanoja's ability to restructure its operations and organisation or entail additional costs. Labour laws may also require periodic inspections by the competent authorities, and any findings of violations of applicable regulations may result in administrative, civil and criminal penalties, which could damage the New Lassila & Tikanoja's reputation in the eyes of its current and future employees and hamper its ability to recruit and retain key employees. The New Lassila & Tikanoja's customers and suppliers may also be subject to their own labour disputes or industrial actions, which may then result in delays in projects and higher costs than estimated. These could have a negative impact on the New Lassila & Tikanoja's profitability.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Legal, regulatory and compliance risks

Regulations and changes thereto applicable to the New Lassila & Tikanoja may result in significant costs and liabilities for the New Lassila & Tikanoja

The New Lassila & Tikanoja is subject to, among other things, regulations relating to waste and chemical management, disposal, environmental protection, health, safety, public procurement, contractor liability and consumers regulations in the jurisdictions in which it operates. The environmental, health and safety regulations with which the New Lassila & Tikanoja must comply relate primarily to occupational protection, health and safety, personnel security, emissions, chemicals (including fuels) or hazardous substances (including industrial waste), their use, production, traceability, handling, transport, storage, recycling and elimination or exposure to such substances, and the remediation of industrial sites and environmental decontamination. The New Lassila & Tikanoja services and its production facilities are subject to strict safety regulations. These requirements may vary between the countries in which the New Lassila & Tikanoja operates and may change over time. Increasing laws and regulations on the environmental impacts of the New Lassila & Tikanoja's services, particularly relating to hazardous waste and collection and recycling services, along with an increase in legislation and regulatory requirements related to climate change adaptation and mitigation, may result in substantial costs for the New Lassila & Tikanoja, for instance due to the design and adoption of new processes or facilities to meet new statutory and regulatory requirements. The New Lassila & Tikanoja prepares for environmental and safety risks through, among other things, practices and guidelines relating to the environment, occupational health and safety, certification principles, rescue planning, as well as guidelines concerning facilities and information security. In addition, the Demerging Company has made environmental provisions regarding the Circular Economy Business Area, covering, for example, obligations related to landfill areas. Although the New Lassila & Tikanoja has sought to prepare for the occurrence of the aforementioned risks through insurance coverage and other appropriate measures, and expects to continue doing so, there is no certainty that these safeguards would be sufficient if any of the risks described above were to materialise.

Regulation has generally become broader and stricter over time, and compliance with regulation is monitored more closely. Complying with applicable regulation may cause the New Lassila & Tikanoja to incur significant and regular costs. A violation of these rules could lead to fines or other civil, administrative or criminal sanctions (including personal criminal liability and liability for damages for officers of the New Lassila & Tikanoja), such as the revocation, non-renewal or denial of permits required for business operations, for example, the environmental permits essential to the New Lassila & Tikanoja's operations. Non-compliance with the Environmental Protection Act or the provisions of environmental permits may lead to fines or administrative sanctions being imposed on the New Lassila & Tikanoja. The New Lassila & Tikanoja cannot predict the amounts of any increases in capital expenditure or operating expenses that it may incur as a result of compliance with regulation.

A significant portion of the New Lassila & Tikanoja's business activities is conducted under environmental permits, including its principal recycling facilities and landfill areas. Changes to the conditions of such permits may require additional measures, potentially causing the New Lassila & Tikanoja to incur considerable costs, and there can be no guarantee that the terms of existing environmental permits will remain unchanged or that all new environmental permits or requested amendments to existing permits will be granted.

For more information on the regulatory framework governing the New Lassila & Tikanoja's operations, see "*Business of the New Lassila & Tikanoja—Regulatory environment*".

Additional expenses, investment requirements or costs arising from any of the factors described above could have a material adverse effect on the New Lassila & Tikanoja's the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja's operations subjects it to risks related to contracts, compliance and violations of applicable laws, which could lead to liability for damages, sanctions and fines and affect the New Lassila & Tikanoja's reputation and financial position

The New Lassila & Tikanoja's operations are subject to risks related to contracts and other legal obligations, regulatory compliance and illegal activities, such as fraud, misconduct or criminal acts, which could result in liability for damages, administrative sanctions and fines and harm the New Lassila & Tikanoja's reputation.

In the normal course of its business activities, the New Lassila & Tikanoja may be involved in legal disputes, proceedings or investigations regarding, for example, contractual responsibility, contractor's obligations, employers' liabilities, anti-trust, anti-bribery and anti-corruption matters or other extracontractual or compliance-related matters. Legal disputes, proceedings or investigations may result in, for instance, the New Lassila & Tikanoja being held liable to compensate for damage, fines being imposed or a prohibition on certain business activities conducted by the New Lassila & Tikanoja. Furthermore, any non-compliance with, for example, the statutory maximum working time may lead to adverse employee relations and expose the New Lassila & Tikanoja to fines and/or criminal sanctions. Some of the New Lassila & Tikanoja's contracts may include unfavourable indemnity, warranty and limitation of liability clauses, which could result in significant additional costs. Legal disputes, proceedings or investigations may be costly, prolonged and unpredictable in their outcome and divert management's attention away from the day-to-day management of the business. Information on legal disputes, proceedings or investigations may also have a negative effect on the New Lassila & Tikanoja's reputation among its present or potential customers, vendors, subcontractors, investors and employees and other stakeholders. Legal disputes, environmental permits, proceedings or investigations leading to direct and indirect costs or any restrictions on the conduct of the New Lassila & Tikanoja's business that may arise as a result may have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja may also face losses due to negligent, deliberate, fraudulent or other malicious acts of its employees or third parties. The New Lassila & Tikanoja's current, former or future employees, agents, subcontractors, external consultants or other intermediaries, may act in violation of applicable legislation, the New Lassila & Tikanoja's guidelines or its policies, misuse confidential information or trade secrets that are material to the New Lassila & Tikanoja's operations or divulge such information to third parties. Furthermore, there is a risk that the New Lassila & Tikanoja's internal guidelines or policies or their supervision may prove insufficient for preventing or detecting misconduct on the part of employees. Negligent, deliberate, fraudulent or other malicious acts of the New Lassila & Tikanoja's employees or the aforesaid third parties as well as other non-compliance with applicable laws or regulations or the New Lassila & Tikanoja's guidelines or its policies could have a material adverse effect on the New Lassila & Tikanoja's business through, for example, loss of permits important for the New Lassila & Tikanoja's business, sanctions imposed, reputational damage or unexpected and unforeseen additional expenses for the New Lassila & Tikanoja.

Contractual liabilities that are factually, technically or contractually unclear may trigger legal disputes, proceedings or investigations, such as claims for compensation addressed to the New Lassila & Tikanoja. Additionally, the validity and enforceability of some of the New Lassila & Tikanoja's contracts could potentially be questioned. Changes in regulatory framework, sudden changes in established interpretations or practices by governments or other regulatory authorities or the loss of benefits associated with a status or an authorisation could require the New Lassila & Tikanoja to adapt its business activities, re-design or re-engineer existing services, revise its strategy or invest additional resources in ensuring compliance.

In addition, the New Lassila & Tikanoja must comply with the current and future legislation concerning data usage and sharing that may have an effect on how data can be used for commercial purposes in the New Lassila & Tikanoja's operations and how third parties may gain access to data generated by the use of the New Lassila & Tikanoja's services. For example, the Regulation of the European Parliament and of the Council on harmonised rules on fair access to and use of data (the "**Data Act**") entered into force on 11 January 2024 and became applicable in September 2025. In accordance with the Data Act, raw data generated by the New Lassila & Tikanoja's customers may be available to its competitors, which could enable the New Lassila & Tikanoja's competitors to develop their own services and processes. Furthermore, the New Lassila & Tikanoja must comply with the current and future legislation concerning cyber security, including, but not limited to, any legislation relating to mandatory software updates that are necessary to keep the digital content or digital service in conformity. According to said legislation the New Lassila & Tikanoja may be required to provide updates to its software and digital solutions. Any such updates may incur additional costs for the New Lassila & Tikanoja. Contractual, legal and regulatory compliance risks may also arise from operational obligations imposed by authorities or from liabilities arising from mergers and acquisitions. Any of these factors could lead to an increase in the New Lassila & Tikanoja's expenses, or a slowing or even halting of the development of its business activities and could therefore have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja is committed to operate in compliance with applicable laws and regulations and having internal control and procedures in place to avoid risks related to compliance and violations of the law. However, there can be no assurance that such internal control and procedures will enable the New Lassila & Tikanoja to avoid non-compliance and illegal activities entirely in the future. Materialisation of any of the above factors could increase the New Lassila & Tikanoja's costs or lead to liability for damages, fines, administrative sanctions or other penalties that undermine the New Lassila & Tikanoja's reputation and could therefore have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja may face litigation risks in connection with its services and operations

The New Lassila & Tikanoja provides a wide range of services to their customers, and as a result of which the New Lassila & Tikanoja may be exposed to various legal actions, claims and other proceedings. These claims may involve contractual disputes, warranty claims, failure to post appropriate warnings, employment issues, vehicle liability as well as other matters, and these claims may arise well after the underlying event actually occurred. In particular, the New Lassila & Tikanoja may be exposed to possible claims concerning personal injury or death, as well as concerning property damage resulting from hazardous waste or chemicals handled by the New Lassila & Tikanoja. In addition, like many industrial companies, the New Lassila & Tikanoja may be involved in asbestos or indoor air related litigations, for example, in relation to real estate properties, which could expose the New Lassila & Tikanoja to risk of significant damages or reputational harm. The New Lassila & Tikanoja's facilities handle substances that, when wrongly treated, cause injury to a person or damage the environment. Even if the New Lassila & Tikanoja aims to manage these risks, it cannot eliminate risks completely and may not be able to control the consequences, including damages.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja collects and processes personal data as part of its daily business, and the leakage of such data or failure to process the data in accordance with applicable regulation could have an adverse effect on the New Lassila & Tikanoja's business and reputation as well as result in claims for damages as well as fines and orders imposed by the authorities

The New Lassila & Tikanoja processes personal data as part of its business operations. This includes mainly processing of employee data and data relating to business partners and their representatives. Processing of personal data is subject to legislation that sets the requirements for the processing and data security. The EU's General Data Protection Regulation (regulation (EU) 2016/679, the "**GDPR**") is a general regulation on the processing of personal data. The GDPR is specified and supplemented by the Finnish Data Protection Act (1050/2018, as amended) as well as a number of specific laws, such as the Finnish Act on Protection of Privacy in Working Life (759/2004, as amended).

Possible causes of personal data breaches include hacking, malware, encryption errors in information systems, human errors in the processing of personal data in physical or electronic form, errors in the transfer of large amounts of data from one system to another, or the unlawful viewing, disclosure or use of personal data by employees or third parties. If the New Lassila & Tikanoja fails to comply with applicable regulations regarding personal data, the New Lassila & Tikanoja will be exposed to the risk of sanctions, damages and other possible costs. Under the GDPR, a national data protection authority has the power to impose corrective actions, such as a temporary or definitive ban on personal data processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or 4 per cent of the total worldwide annual turnover of a company. The New Lassila & Tikanoja may also need to take corrective actions, change its processes and operations, or revise or change its information systems and related processes to ensure compliance with the GDPR. Additionally, due to non-compliance with the GDPR, the national data protection authority may order the New Lassila & Tikanoja to delete personal data and prohibit the New Lassila & Tikanoja from processing personal data or the processing of personal data may be temporarily or permanently restricted. The Data Protection Ombudsman of Finland (in Finnish, *tietosuojavaltuutettu*) may impose a conditional fine for the purpose of enforcing an order under certain circumstances. Specific legislation also imposes its own sanctions for non-compliance.

the New Lassila & Tikanoja uses suppliers and other business partners (i.e. processors) to carry out processing activities on its behalf and their failure to comply with the GDPR and contractual obligations relating to data protection can adversely affect the New Lassila & Tikanoja's business. It cannot be fully excluded that the New Lassila & Tikanoja could have contractual liability in the event a processor acting on behalf of the New Lassila & Tikanoja would be subject to the GDPR related sanctions. Additionally, the New Lassila & Tikanoja's customers may claim damages from the New Lassila & Tikanoja, for example, due to administrative fines imposed on the customer or damages claims brought against the customer if such fines or claims against the customer are due to the New Lassila & Tikanoja's actions. Further, compliance with data protection has become one potential source of disputes and for the New Lassila & Tikanoja it could mean disputes with business partners and potentially disputes in the employment context. In addition, the awareness of individuals about their rights, such as the right to have their personal data deleted in certain situations or to request a copy of their data, may affect the New Lassila & Tikanoja's operations in the event of a large number of requests.

Due to the paucity of legal praxis related to the GDPR, uncertainty still exists with respect to its interpretation. The GDPR may be interpreted and applied inconsistently between member states, and data protection regulation may conflict with other legislation. The above increases the risk of unintended regulatory breaches.

Materialisation of the above factors could lead to reputational damage and liability for damages and costs resulting from changes in practices, which could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Risks relating to the New Lassila & Tikanoja's financial position and financing

The New Lassila & Tikanoja is exposed to credit and counterparty risks

Credit and counterparty risks materialise when counterparties are unable or unwilling to fulfil their obligations towards the New Lassila & Tikanoja. The New Lassila & Tikanoja's results of operations are contingent on the full payments by its customers. The credit risk of the New Lassila & Tikanoja's customers may be adversely affected by a number of factors outside of the control of the New Lassila & Tikanoja, including, among other things, market volatility, economic conditions, interest rates and inflation, currency fluctuations, diminished liquidity and credit availability. In recent years, the global financial markets have experienced significant disruptions and volatility as a result of, among other things, concerns related to the political situation in the United States and its trade policy (including import or export tariffs and sanctions) and the consequential effects of these changes, a slowdown of the Chinese economy, higher inflation and uncertainty relating to the timing of monetary policy changes as well as the uncertainty regarding geopolitical events, such as the ongoing war in Ukraine and the ongoing armed conflict in the Middle East. If the New Lassila & Tikanoja's customers are not successful in generating sufficient revenue or are precluded from securing financing, they may not be able to pay, or may delay payment of, the New Lassila & Tikanoja's services or accounts receivable owed, or they may need to cancel their existing orders for the New Lassila & Tikanoja's services.

The New Lassila & Tikanoja will be exposed to credit and counterparty risks through all of its trade receivables and receivables related to financing. The New Lassila & Tikanoja's trade receivables mainly consist of a large number of relatively small receivables, which is not expected to result in any significant credit risk concentrations for individual customers, but it may have a large number of customers in a certain industry. A large part of the New Lassila & Tikanoja's customer relationships are based on long-term service agreements, and customers are generally not required to provide collateral. Although the New Lassila & Tikanoja seeks to manage and identify its credit and counterparty risks through various measures, such as assessing the creditworthiness of its customers and advance payments, there can be no assurance that the New Lassila & Tikanoja can fully manage and identify all its credit and counterparty risks or that its credit and counterparty risks will not increase in the future. Failure by the counterparties to fulfil their obligations towards the New Lassila & Tikanoja in full, in a timely manner or at all may result in credit losses and may have an adverse effect on the New Lassila & Tikanoja's cash flows.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja is exposed to translation and transaction risks arising from fluctuations in foreign exchange rates

The New Lassila & Tikanoja group will consist of a parent company operating in Finland and subsidiaries operating in Finland and Sweden. After the Demerger the operating and reporting currency of the parent company and domestic subsidiaries is the euro, while the operating and reporting currency of the Swedish subsidiaries is the Swedish krona. Consequently, the New Lassila & Tikanoja's business is exposed to risks arising from currency fluctuations, primarily related to fluctuations between the Swedish krona and the euro. This exposes the New Lassila & Tikanoja to both transaction and translation risks.

Foreign exchange fluctuations have a direct accounting impact on the New Lassila & Tikanoja's result and equity after the Demerger. The position being exposed to translation risk is comprised of net investments in foreign subsidiaries, which include equity investments and retained profits. The position of net investments in foreign subsidiaries is not hedged because the holdings are considered long-term strategic investments. In order to prepare its consolidated financial statements, the New Lassila & Tikanoja must translate those assets, liabilities, revenues and expenses into euro at then applicable exchange rates. Consequently, increases and decreases in the value of the euro versus other currencies will affect the amount of these items in the New Lassila & Tikanoja's consolidated financial statements, even if their value has not changed in their original currency. These translations could result in significant changes to the New Lassila & Tikanoja's results of operations and statement of financial position from period to period. Exchange rate fluctuations could also adversely impact salary costs and the general competitiveness of business operations outside the Eurozone. The New Lassila & Tikanoja has recorded an estimate of the deferred consideration related to the acquisition of Sand &

Vattenbläst i Tyringe AB ("**SVB**") in financial liabilities. The contingent consideration is denominated in Swedish kronor and exposes the New Lassila & Tikanoja to currency risk.

The New Lassila & Tikanoja has historically been part of the Demerging Company's group, and the financing risks have been managed centrally by the financial administration of the Demerging Company's group. In connection with the completion of the Demerger, the New Lassila & Tikanoja will establish its own financial administration and develop its own financial risk management policy to maintain an efficient risk management function. The New Lassila & Tikanoja's currency risk management after the Demerger is expected to be based on operational measures and the New Lassila & Tikanoja does not intend to use, for example, foreign exchange forward. Significant fluctuation in exchange rates as well as changes in interest rates between currencies may limit the New Lassila & Tikanoja's ability to hedge its currency positions against adverse changes in exchange rates through operational measures.

Materialisation of any of the above factors could have a material adverse effect on the financial position, results of operations and/or Share price of the New Lassila & Tikanoja.

The New Lassila & Tikanoja is exposed to liquidity risk

The New Lassila & Tikanoja's material liquidity needs will mainly relate to short- and long-term debt servicing costs, capital expenditure, dividend and tax payments, corporate acquisitions, investments and changes in working capital. The New Lassila & Tikanoja's primary sources of liquidity to meet these needs will be cash flow from operations, funds available from credit facilities as well as cash and cash equivalents, which also include cash in hand and at banks as well as short-term deposits. As at 30 September 2025, the New Lassila & Tikanoja's cash and cash equivalents on a pro forma basis totalled EUR 19.1 million. As at 30 September 2025, the New Lassila & Tikanoja's pro forma interest-bearing liabilities were EUR 181.0 million and pro forma net interest-bearing liabilities EUR 161.9 million. For more information on the financing arrangements to be transferred to the New Lassila & Tikanoja on the Effective Date, see "*Operating and Financial Review—Liquidity and sources of capital—Liquidity*".

Adverse developments in the general economic situation could have a significant effect on the New Lassila & Tikanoja's ability to maintain its liquidity. Decreased customer demand resulting from economic downturns or market volatility could have a negative impact on the New Lassila & Tikanoja's sales and ability to maintain its operating cash flows. This could in turn lead to the need for the New Lassila & Tikanoja to obtain further funding from markets. In the event of uncertainty and volatility in the financial markets, such financing may be unavailable at favourable terms or at all.

The Demerging Company and its issued Notes do not as at the date of this Prospectus have a credit rating from any credit rating agency. The lack of a credit rating may impair the New Lassila & Tikanoja's access to financing and/or increase its financing costs. Following the implementation of the Demerger, the New Lassila & Tikanoja must manage its liquidity risk in such a way that it can continuously meet its financial obligations related to its operations at the lowest possible cost. Due to the uncertainties involved with the Demerger, the costs of its implementation may, however, increase to higher than anticipated levels. Increasing costs arising from the completion of the Demerger could adversely impact the New Lassila & Tikanoja's result of operations, cash flows and profitability, which could in turn have an adverse impact on the amount of available liquid funds.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Following the Effective Date, the New Lassila & Tikanoja will have to secure its financing independently, and there can be no assurance that any future financing arrangements will have terms similar to those of financing obtained prior to the Effective Date

In the view of the Demerging Company's management, the New Lassila & Tikanoja's working capital is sufficient to cover the New Lassila & Tikanoja's needs for at least 12 months following the date of this Prospectus (see "*Capitalisation and indebtedness—Working capital statement*"). In connection with the Demerger process, the Demerging Company has also on 27 June 2025 agreed on long-term financing arrangements for the New Lassila & Tikanoja, which after the Demerger consist of the EUR 75 million Notes, EUR 35 million and EUR 15 million term loans, and a EUR 40 million revolving credit facility agreement. For information on the financing arrangements that will transfer to the New Lassila & Tikanoja on the Effective Date, see "*Operating and Financial Review—Liquidity and sources of capital—Liquidity*".

However, in the future, financing of the New Lassila & Tikanoja's business or its growth strategy may require new debt or equity financing. In addition, the New Lassila & Tikanoja may want to or be required to refinance its existing debts and there can be no assurance that the New Lassila & Tikanoja's future financing arrangements will have terms equally favourable to those of financing obtained prior to the Effective Date. For example, deterioration of the New Lassila & Tikanoja's financial position or other internal or external issues could reduce the opportunities of credit institutions to offer the New Lassila & Tikanoja financing alternatives and/or lead to more unfavourable terms of financing for the New

Lassila & Tikanoja. Additionally, as an independent entity, the New Lassila & Tikanoja may not have the same negotiating position with its financiers as it has had as part of the Demerging Company. The New Lassila & Tikanoja's position as an independent entity may, for example, affect its ability to obtain additional financing with equally favourable terms and conditions as a part of the Demerging Company.

The terms of financing available for the New Lassila & Tikanoja will be affected by the development of the New Lassila & Tikanoja's business. Exceptional financial market conditions, unfavourable development of the global economy and the level of and changes in interest rates may have an adverse effect on the New Lassila & Tikanoja's financing expenses or the general availability of financing. Possible fluctuations and uncertainty as well as other potential disturbances or unfavourable developments in the financial markets could also lead to increased costs and weaker availability of external financing needed in order to carry out the New Lassila & Tikanoja's business.

Failures in the efficient management of capital, including breaches of financial covenants contained in financing arrangements and agreements or negligence related to the New Lassila & Tikanoja's financing arrangements, could result in premature termination of financing agreements or acceleration of credits and other financing arrangements. Such failures could also result in the triggering of cross default clauses in other loan or financing arrangements of the New Lassila & Tikanoja, which could lead to premature acceleration of these other loan or financing arrangements. This could also hinder the availability of financing for the New Lassila & Tikanoja and burden the New Lassila & Tikanoja's liquidity and capital structure. Such events could prevent the New Lassila & Tikanoja from achieving its targeted gearing, impair its ability to make necessary investments required to maintain and develop its operations, and could ultimately lead to financial distress or insolvency.

Materialisation of any of the above factors could have a material adverse effect on the business, financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Fluctuations in interest rates may adversely affect the New Lassila & Tikanoja's business and the New Lassila & Tikanoja may not succeed in hedging against interest rate risks

The New Lassila & Tikanoja's interest rate risk is primarily related to loans tied to variable interest rates, with cash flows fluctuating as interest rates change. Interest rates can increase in response to numerous factors outside the New Lassila & Tikanoja's control, including government and central bank monetary policies. Fluctuations in market interest rates may have an effect on the New Lassila & Tikanoja's interest outflows and the fair values of interest-bearing loans, receivables and derivative instruments. A significant amount of external loans will be transferred to the New Lassila & Tikanoja in the Demerger, after which the interest rate risk of the New Lassila & Tikanoja will be more significant than historically as part of the Demerging Company's group.

As part of the Unaudited Pro Forma Financial Information prepared to illustrate the financial impacts of the Demerger, a pro forma adjustment of EUR 124.7 million is recognised under non-current borrowings in the unaudited pro forma combined statement of financial position as at 30 September 2025. This carrying amount consists of EUR 74.8 million in fixed-rate Notes and a total of EUR 49.9 million in floating-rate term loans, which will be transferred to the New Lassila & Tikanoja in accordance with the Demerger Plan. See "*Unaudited Pro Forma Financial Information*".

The New Lassila & Tikanoja is expected to manage its interest rate risk by applying a ratio between fixed and floating rate loans, according to which half of the Receiving Company's non-current loans would be kept at fixed rates. The New Lassila & Tikanoja would use interest rate swaps and other interest rate derivatives as needed in order to aim to hedge part of the cash flow related to variable rate loans against interest rate risk. In the event of decreasing interest rates or volatility in exchange rates, the New Lassila & Tikanoja may have to pay higher interest than it would have, had it not hedged its interest rate, or it may incur foreign exchange rate losses. In such a case, it would bear the expenses for the hedging without receiving any benefits in the form of reduced risk exposure. Hedging transactions also involve a counterparty risk, where the payment default of a counterparty in a hedging transaction or the premature termination of hedging transactions may lead to higher interest expenses without any benefit from hedging transactions.

The New Lassila & Tikanoja may be unable to obtain or use hedging instruments in accordance with its hedging strategy due to increased expenses or other reasons.

Fluctuations in interest rates will also have a direct impact on the New Lassila & Tikanoja's financing expenses. In addition, higher costs of capital resulting from an increase in interest rates will have a direct effect on the New Lassila & Tikanoja's customers' investment decisions. An increase in interest rates may weaken the financial position of the New Lassila & Tikanoja's current or potential customers and thereby reduce the demand for the New Lassila & Tikanoja's services. It is not certain that the New Lassila & Tikanoja would be able to succeed in hedging against interest rate fluctuations or that the New Lassila & Tikanoja's hedging strategy is sufficient to mitigate the negative impacts that interest rate fluctuations may have on its business operations. Any increase in interest rates could have a material adverse impact on the New Lassila & Tikanoja's financial position, cost of financing, ability to raise capital, liquidity as well as its future refinancing expenses.

Potential impairments of goodwill, intangible assets and tangible assets could have a material adverse effect on the New Lassila & Tikanoja's financial position and result of operations

As at 30 September 2025, the New Lassila & Tikanoja's carve-out statement of financial position included EUR 122.5 million of goodwill, EUR 37.0 million of other intangible assets, EUR 52.0 million of right-of-use assets, EUR 148.9 million of other property, plant and equipment and EUR 18.3 million of shares in associated companies and joint ventures.

Items with indefinite useful lives, such as goodwill are not amortised but instead tested at least annually during the last quarter of the year or more frequently for impairment and whenever there are indications of impairment. Impairment testing must be done in accordance with the business structure at the time of testing. In impairment testing, the recoverable cash flows are assessed based on the value-in-use. Future cash flows are based on the annual estimates of income statements and maintenance investments made by the New Lassila & Tikanoja's management in connection with the strategy process for a four-year period. The New Lassila & Tikanoja's management bases its forecasts on historical development and its understanding of the industry's growth prospects, taking into account factors such as general market trends, unit profitability, pricing, municipalisation decisions, and personnel and raw material costs. Growth forecasts also consider approved investment decisions. Cash flows extending beyond the four-year forecast period are calculated using the terminal value method. The growth used in the calculations is based on management's assessment of long-term business growth and profitability development. Changes in one or more components of the New Lassila & Tikanoja's management forecast could lead to write-downs on goodwill, which could weaken the New Lassila & Tikanoja's result.

Intangible assets, such as patents, trademarks, licences, software and capitalised development costs, are particularly susceptible to impairments. In the event that a particular intangible asset would no longer be subject to a reasonable expectation of income e.g. due to technological developments that would render the product obsolete, this could result in a write-down of the intangible assets, which may have a material adverse impact on the New Lassila & Tikanoja's results of operations. If the New Lassila & Tikanoja's management's discretion, assumptions or estimates or market conditions change, the estimate of the recoverable amount of goodwill and other tangible or intangible assets or the net realisation value of inventories could decrease significantly, causing impairments.

Materialisation of any of the above factors could have a material adverse effect on the financial position, results of operations, future prospects and/or Share price of the New Lassila & Tikanoja.

Changes in tax laws, practices and interpretations or tax and administrative audits may affect the amount of the New Lassila & Tikanoja's tax liabilities and increase tax uncertainty for the New Lassila & Tikanoja and its shareholders

Any changes to relevant tax laws, the way they are interpreted and applied or any changes to the current rate of taxes could result in payment increases or sanctions imposed by tax authorities which may, in turn, have a material adverse effect or negative impact, prospectively and/or retroactively, on the New Lassila & Tikanoja's effective tax rate, business, net assets, financial position, cash flow and returns to the shareholders. For example, the Finnish Government is considering targeted increases in excise duties (including waste tax) to be prepared for decision-making in the spring 2026 government budget framework session. Furthermore, changes in tax laws and regulation or their interpretation and application may increase the New Lassila & Tikanoja's compliance costs to a significant degree, which could have an adverse effect on the New Lassila & Tikanoja's financial position or results of operations. In addition, any changes in tax laws and taxation practice could also have an adverse effect or negative impact on the shareholders' taxation and the relevant tax rate as well as increase tax uncertainty for the New Lassila & Tikanoja and its shareholders.

The New Lassila & Tikanoja's tax returns will be subject to ongoing review by tax authorities. In addition, the New Lassila & Tikanoja and its subsidiaries may be subject to tax or administrative audits, including concerning financial periods of the New Lassila & Tikanoja's subsidiaries preceding the Effective Date. Tax and other governmental authorities (e.g., customs officials) may redetermine the amounts of direct and indirect taxes and other payments payable or receivable by the New Lassila & Tikanoja and its subsidiaries, including, for example, due to different interpretations of legislation and double tax treaties, which, in turn, may influence the amounts of any future tax assets or liabilities and income tax expenses that the New Lassila & Tikanoja or its subsidiaries may ultimately recognise. Such redeterminations may result in additional taxes (e.g., income taxes, withholding taxes, real estate taxes, capital taxes, transfer taxes and value added taxes) being assessed, which could lead to an increase in the New Lassila & Tikanoja's tax liabilities either as a result of the relevant tax payment being imposed directly against the New Lassila & Tikanoja or as a result of the New Lassila & Tikanoja becoming liable for it as a secondary obligor.

Resulting increases in the New Lassila & Tikanoja's tax liabilities could have a material adverse impact on the profitability of the New Lassila & Tikanoja's significant operations, and thus result in decreased results of operations at the group level.

Possible tax implications of the Demerger

The Demerging Company has received a binding advance ruling from the Finnish Tax Administration according to which the Demerger will be treated as a tax neutral partial demerger for income tax purposes as defined in Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended, the "**Finnish Business Income Tax Act**"). Tax neutrality means that the Demerger will not give rise to any immediate tax implications in Finland (except for cash settlement of redemption of shares or of fractional shares, if any, that may trigger taxable capital gain).

However, there is no assurance that tax authorities in other jurisdictions, including but not limited to jurisdictions having not implemented the EU Merger Directive (Council Directive 2009/133/EC and related amendments), would not levy taxes or duties to the investors (including on investors resident in the EU that are not covered by the EU Merger Directive) as a consequence of the Demerger. The same applies to investors that are EU citizens, but are not covered in the EU Merger Directive. Investors must not construe the contents of this Prospectus as tax advice addressed to them. Investors should consult their own tax advisors pertaining to the Demerger and its tax implications.

The New Lassila & Tikanoja may be subjected to reversals or reassessments of tax liabilities under transfer pricing regulations

The New Lassila & Tikanoja operates in Finland and Sweden, which impose transfer pricing and other tax-related regulations on the New Lassila & Tikanoja, the application of which could have a material adverse effect on the New Lassila & Tikanoja's profitability. In order to comply with transfer pricing rules, including recommendations by the Finnish Tax Administration as well as the international standards set out by the Organisation for Economic Cooperation and Development ("**OECD**"), companies must generally conclude any intra-group transactions on an arm's length basis and provide sufficient documentation. The Demerging Company has transfer pricing instructions and the New Lassila & Tikanoja will be required to prepare corresponding instructions. The Demerging Company has carried out intra-group transactions between group companies located in Finland and Sweden, and also the New Lassila & Tikanoja will continue to carry out cross border intra-group transactions after the Demerger. Therefore, the New Lassila & Tikanoja is subject to transfer pricing risks, as authorities may question the conformity of such transactions with the applicable local transfer pricing rules. These risks could be of a one-off nature or recurring risks, and may result in material tax expenses, interest charges and/or penalties, and, in certain cases, the occurrence of double taxation. The New Lassila & Tikanoja and its subsidiaries may also, from time to time, file ruling requests and other applications regarding transfer pricing to tax authorities for the purposes of ensuring that transactions are taxed in a certain way, and such applications could also be pending. It is possible, however, that tax authorities may not approve the applications in the form submitted by the companies, and the companies' taxation assessments could be challenged.

Risks relating to the New Lassila & Tikanoja's Shares

The market price of the Shares may be volatile, and an active and liquid trading market may not develop for the Shares

The New Lassila & Tikanoja's Shares have not been previously traded on a regulated market or multilateral trading facility, and there is no assurance that an active and liquid market will develop for the Shares after the Listing. In addition, concentration of the ownership in the New Lassila & Tikanoja could reduce the influence of other shareholders in the New Lassila & Tikanoja and reduce the liquidity of the Shares. Therefore, the price and liquidity of the Shares are uncertain.

The market price of the Shares may fluctuate significantly, and such fluctuations could be caused, among other things, by the market's perception, public discussion and news relating to the New Lassila & Tikanoja's field of business, planned and implemented changes in the legislation applied to the New Lassila & Tikanoja's operations or changes in the New Lassila & Tikanoja's results of operations or the development of its business operations. The prices and trading volumes of Shares may fluctuate on the stock markets, and this may impact the prices of securities and may not have any connection to the performance or prospects of the New Lassila & Tikanoja's business operations. A decline in share prices may have a material adverse effect on the demand for and liquidity of the Shares, and there can be no assurance that the market price of the Shares will not fluctuate or decrease significantly, or that investors will be able to sell the Shares they acquire should they so wish.

Further, the prices of shares traded publicly on a regulated market for the first time have been subject to considerable price fluctuations for periods of time, which may not have corresponded to the business or financial success of the particular company issuing such shares. Due to this, the market price of the Shares may fluctuate significantly.

There can be no assurance of distribution of dividends or repayment of capital to the shareholders in the future

Under the provisions of the Finnish Companies Act, the amount distributed by the New Lassila & Tikanoja as dividends may not exceed the amount of distributable funds shown on its latest unconsolidated parent company audited financial statements adopted by the General Meeting of shareholders. In the distribution of the New Lassila & Tikanoja's assets, material changes in the New Lassila & Tikanoja's financial position that have occurred after the preparation of the financial statements must also be taken into account. The possible distribution of dividends depends, among other things, on the New Lassila & Tikanoja's and its subsidiaries' results of operations, financial position, cash flow, need for working capital, investments, future outlook, terms of its financing agreements, ability to upstream any income to the New Lassila & Tikanoja from its subsidiaries and other factors. Under the Finnish Companies Act, the distribution of the New Lassila & Tikanoja's funds is not permitted if the distribution would jeopardise the New Lassila & Tikanoja's solvency. According to the New Lassila & Tikanoja's dividend policy, the New Lassila & Tikanoja aims to distribute as dividend at least 50 per cent of the New Lassila & Tikanoja's net income[2]. Notwithstanding this policy, the New Lassila & Tikanoja will evaluate the preconditions for the distribution of dividends in connection with the dividend distribution resolution so that the distribution does not jeopardise the growth objective set out in the New Lassila & Tikanoja's strategy or the New Lassila & Tikanoja's development or jeopardise the New Lassila & Tikanoja's financial position. The amount of any dividends to be potentially paid by the New Lassila & Tikanoja in any given financial year is thus uncertain. Further, the shareholders of the New Lassila & Tikanoja should not consider past dividends paid by the Demerging Company to be an indication of any dividends to be paid by the New Lassila & Tikanoja in the future. See also "*Shares and Share Capital—Dividends*". Dividends (including capital repayments taxed as dividends) are, as a starting point, subject to withholding or prepayment tax in Finland, for more information see "*Taxation*".

Certain foreign shareholders may be unable to exercise their right to vote

Shareholders that are not Finnish natural persons or legal entities and that manage their Shares through a nominee register may not necessarily be able to exercise their shareholders' right through the management chain. Holders of nominee registered Shares are not able to directly exercise their right to vote at a General Meeting unless the holder of nominee registered Shares has been temporarily entered into the New Lassila & Tikanoja's register of shareholders, which is prepared for each General Meeting no later than on the date mentioned in the notice of the General Meeting. Since making such a temporary entry requires actions not only from the shareholder but also from the custodian bank and the custodian bank's account operator, it is possible that the entry cannot be registered within the time limit.

Certain foreign shareholders may not necessarily be able to exercise their subscription rights or other shareholders' rights

Under the Finnish Companies Act, shareholders have pre-emptive rights in proportion to their holdings in case the New Lassila & Tikanoja issues new shares or securities entitling to subscription of new shares unless the resolution to issue new shares provides otherwise. Certain shareholders of the New Lassila & Tikanoja who reside in, or whose registered address is located in, certain countries other than Finland, including shareholders in the United States or in the United Kingdom, may not necessarily be able to exercise their subscription rights in possible future share issues, unless the shares have been registered according to the securities legislation of the relevant jurisdiction or in an otherwise similar manner, or unless a derogation from the registration or other equivalent regulations provided in the applicable legislation is available. No assurance can be given that local requirements will be met so as to enable the exercise of such shareholders' pre-emptive rights or participation in any rights offer.

This may lead to the dilution of such shareholders' ownership in the New Lassila & Tikanoja or to potential tender offers not being made to shareholders in certain countries. A foreign shareholder's right to have access to information concerning share issues and other important transactions may also be restricted due to the legislation of the relevant jurisdiction. See "*Shareholder Rights*" for further information.

Investors with a reference currency other than the euro will be exposed to certain foreign exchange risks when investing in the Shares

The Shares will be priced and traded in euro in trading maintained by Nasdaq Helsinki. Any future payments of dividends on the Shares will also be denominated in euro. Furthermore, the market price of the Shares as expressed in other currencies may fluctuate in part due to changes in exchange rates. This could further affect the value of the Shares, any dividends paid on the Shares and other distributions of unrestricted equity, such as capital repayments, for investors whose principal or reference currency is not the euro. In addition, exchanging euros into another currency may cause such investors to incur additional transaction costs.

[2] Net income refers to the result for the period as presented in section "*Unaudited Pro Forma Financial Information—Unaudited Pro Forma Key Figures*".

Future share issues, divestments or other disposals may affect the value of the Shares or dilute the shareholders' relative holdings as well as their voting rights

Any potential future issues or sales of the New Lassila & Tikanoja's shares or an understanding that such issues or sales may occur in the future may have an adverse effect on the market value of the Shares and on the New Lassila & Tikanoja's ability to acquire equity capital funding in the future. Furthermore, if the New Lassila & Tikanoja requires equity capital funding, in addition to debt financing, by new share issues or by other means, the New Lassila & Tikanoja may need to arrange new share issues in which the shareholders hold pre-emptive subscription rights or directed share issues that deviate from the shareholders' pre-emptive subscription rights if the General Meeting resolves on such share issues or grants the New Lassila & Tikanoja's Board of Directors the authorisation to carry out such share issues. Directed share issues can also be arranged in conjunction with incentive programmes for the New Lassila & Tikanoja's management and employees, to implement acquisitions or for other reasons if the New Lassila & Tikanoja has a weighty financial reason for a directed share issue. Directed share issues and share issues that include subscription rights in which existing shareholders do not participate or participate in only in part will dilute the relative holdings of shareholders in the New Lassila & Tikanoja.

Risks relating to the Listing

The Listing may be delayed or cancelled, which could increase the costs arising from the Listing and cause the Listing to require more resources from the Demerging Company's and the New Lassila & Tikanoja's management and other personnel

There can be no certainty that the Listing will be completed as the Demerging Company has planned or at all. The Listing may fail due to, among others, issues relating to the execution of the Listing or the Demerger (e.g. if the General Meeting of the Demerging Company does not approve of the Demerger, the Demerger is delayed or cancelled), decisions made by authorities, requirements set by Nasdaq Helsinki or other factors that are beyond the Demerging Company's control. Internal preparations to meet the technical requirements set for a listed company are still ongoing for the New Lassila & Tikanoja and the New Lassila & Tikanoja has internal timetables and detailed action plans to finalise the pending work. If the planned development work is not performed or the timetable is not followed, it is possible that the New Lassila & Tikanoja does not meet the requirements set for a listed company which may lead to a delay in the Listing or its cancellation. It is also possible that Nasdaq Helsinki does not accept the New Lassila & Tikanoja's listing application or that the Demerger is not completed in time or at all, both which may lead to a delay in the Listing or its cancellation, as well as cause significant additional expenses and administrative burden. In addition, the expected benefits of the Demerger may not materialise as anticipated or at all. If the Demerger is not completed and the Listing does not take place, the costs incurred in connection with the Demerger and the preparation for the Listing will be borne by the Demerging Company, and the resources and time spent directly on the demerger process by the proposed management and personnel of the Demerging Company and the New Lassila & Tikanoja will be lost. See also "*—Risks relating to the Demerger—There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from the Demerging Company's management and other personnel*" above.

The Listing involves additional costs and new obligations, the fulfilment of which leads to new expenses; the New Lassila & Tikanoja may also fail to ensure compliance with the new obligation

The Demerging Company intends to submit, on behalf of the New Lassila & Tikanoja, a listing application to Nasdaq Helsinki to list the Shares on the official list of Nasdaq Helsinki. The New Lassila & Tikanoja and the Demerging Company will incur significant costs relating to the Listing and related preparations, and there can be no assurance that the management's estimate of such costs would correspond the actual costs incurred. In addition to non-recurring costs, the Listing will generate additional administrative costs for the New Lassila & Tikanoja, which have been assumed by the Demerging Company prior to the execution of the Demerger. As a result of the Listing, the New Lassila & Tikanoja will be required to meet regulatory requirements pertaining to entities with shares admitted to trading on Nasdaq Helsinki, in particular with respect to the management, planning, disclosure and control systems and financial reporting, and the New Lassila & Tikanoja must allocate staff and resources to such purposes. There can be no assurance that the New Lassila & Tikanoja will be able to fulfil all new obligations, and failure to do so may subject the New Lassila & Tikanoja to sanctions under securities market regulation or cause reputational damage. Increased costs resulting from the Listing or issues related to compliance with the requirements set for listed companies could have a material adverse effect on the New Lassila & Tikanoja's business, financial position, results of operations and future prospects and/or Share price.

COMPANY, BOARD OF DIRECTORS, AUDITORS AND ADVISERS

The Receiving Company

Lassila & Tikanoja Plc
Valimotie 16
FI-00380 Helsinki

Members proposed to be elected to the Board of Directors of the Receiving Company

Name	**Position**
Jukka Leinonen	Chair of the Board of Directors
Sakari Lassila	Vice Chair of the Board of Directors
Tuija Kalpala	Member of the Board of Directors
Teemu Kangas-Kärki	Member of the Board of Directors
Anna-Maria Tuominen-Reini	Member of the Board of Directors

Proposed Auditor of the Receiving Company

PricewaterhouseCoopers Oy
Authorised Public Accountants
Itämerentori 2
FI-00180 Helsinki
Auditor in charge: Samuli Perälä
Authorised Public Accountant

Financial Adviser

Danske Bank A/S, Finland Branch
Televisiokatu 1
FI-00240 Helsinki

Legal Adviser to the Receiving Company

In relation to Finnish law
Hannes Snellman Attorneys Ltd
Eteläesplanadi 20
FI-00130 Helsinki

In relation to U.S. law
Cleary Gottlieb Steen & Hamilton LLP
2 London Wall Place
London, England, EC2Y 5AU

CERTAIN MATTERS

Parties Responsible for the Prospectus and the Statement Regarding the Prospectus

Lassila & Tikanoja Plc, the demerging company:

Current company name	Lassila & Tikanoja Plc
Proposed new company name	Luotea Plc
Business identity code	1680140-0
Legal entity identifier (LEI)	743700Z9Z54VGHZA0028
Domicile	Helsinki, Finland
Registered office until 1 December 2025	Valimotie 27, FI-00380 Helsinki, Finland
Registered office as of 2 December 2025	Kutomotie 2, FI-00380 Helsinki, Finland
Telephone	+358 10 590 2000
Website	https://www.lt.fi/en/ and, as of the Effective Date at the latest, https://www.luotea.com/en/

Lassila & Tikanoja Plc, the receiving company:

The New Lassila & Tikanoja will not be incorporated until the Effective Date and, therefore, the following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding the New Lassila & Tikanoja's business.

Future company name	Lassila & Tikanoja Plc
Business identity code	3555336-9
Legal entity identifier (LEI)	636700EBB0SA4501AT18
Domicile	Helsinki, Finland
Registered office	Valimotie 16, FI-00380 Helsinki, Finland
Telephone	+358 10 636 111
Website	https://www.lt.fi/en/

The Demerging Company accepts responsibility for the information included in this Prospectus and declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and that the Prospectus contains no omission likely to affect its import.

The Demerging Company has prepared this Prospectus on behalf of the New Lassila & Tikanoja as the New Lassila & Tikanoja will be incorporated on the Effective Date, which is expected to be on 31 December 2025. The New Lassila & Tikanoja will be a public limited liability company incorporated in Finland and organised under the laws of Finland. As far as this Prospectus concerns the New Lassila & Tikanoja, the New Lassila & Tikanoja accepts responsibility for the information included in this Prospectus after its incorporation according to the Demerger Plan.

Forward-Looking Statements

The Prospectus includes forward-looking statements. These statements are not necessarily based on historical facts, but they are statements concerning future expectations. Forward-looking statements have been set forth in several parts of this Prospectus, such as under sections "*Summary*", "*Risk Factors*", "*Market and Industry Review*", "*Business of the New Lassila & Tikanoja*" and "*Operating and Financial Review*" as well as in other such parts of this Prospectus which contain information on the New Lassila & Tikanoja's business-related future results, plans and expectations, including its strategic plans, plans for future growth and profitability, and general financial situation. Such presented statements are based on current views, perceptions, plans, estimates and forecasts of the Demerging Company and information currently available for the management of the Demerging Company, and thus such statements may be considered as forward-looking statements. Among others, statements that include the words "believe", "expect", "anticipate", "intend", "plan", "estimate", "assume", "may", "aim", "could" or other similar verbs or expressions may be considered as forward-looking statements. Other forward-looking statements can be identified from the context in which such statements have been made.

These forward-looking statements rest on certain expectations and assumptions that are currently justifiable, but which may turn out to be incorrect. Shareholders should not rely on these forward-looking statements. Numerous factors of uncertainty may cause the New Lassila & Tikanoja's actual results of operations or its financial position to differ materially from the results of operations or financial position that are expressly described in or may be concluded from the forward-looking statements included in this Prospectus.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, level of performance or achievements of the New Lassila & Tikanoja, or industry results, to differ even materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Material risks concerning the New Lassila & Tikanoja are presented in the section titled "*Risk Factors*" in this Prospectus. The aforesaid list is not exhaustive and new risks may emerge from time to time. Should one or more of these or other risks materialise, or should any underlying assumptions prove to be incorrect, the New Lassila & Tikanoja's actual results of operations or financial position could differ materially from what has been described as expected, believed, estimated or anticipated in this Prospectus.

Availability of the Prospectus

The Finnish Prospectus will be available on or about 20 November 2025 on the Demerging Company's website at https://www.lt.fi/sijoittajat/lt-sijoituskohteena/jakautuminen-2025. Furthermore, the English translation of this Prospectus will be available on or about 20 November 2025 on the Demerging Company's website at https://www.lt.fi/en/investors/lt-as-an-investment/demerger-2025.

The FIN-FSA has, in its capacity as competent authority under the Prospectus Regulation, approved the Finnish Prospectus on 20 November 2025. The journal number of the FIN-FSA's approval of the Finnish Prospectus is FIVA/2025/1765. The FIN-FSA's address is P.O. Box 103, FI-00101 Helsinki, Finland, its telephone number is +358 9 183 51 and its email address is kirjaamo@finanssivalvonta.fi.

Presentation of Financial and Certain Other Information

Carve-out Financial Information of the New Lassila & Tikanoja

The historical financial information of the New Lassila & Tikanoja has been derived from the New Lassila & Tikanoja's set of carve-out financial statements included in the F-pages of this Prospectus, which include the audited carve-out financial statements as at and for the years ended 31 December 2024, 2023, and 2022 ("**Carve-out financial statements**") and the unaudited carve-out financial information of the New Lassila & Tikanoja as at and for the nine months ended 30 September 2025, including unaudited comparative financial information as at and for the nine months ended 30 September 2024. The carve-out financial information of the New Lassila & Tikanoja has been prepared in accordance with the IFRS Accounting Standards, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to the New Lassila & Tikanoja as described in the notes to the New Lassila & Tikanoja's audited Carve-out financial statements included in the F-pages to this Prospectus.

The New Lassila & Tikanoja's Carve-out financial statements have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Samuli Perälä as the auditor with the principal responsibility. The independent auditor's report on the audit for the New Lassila & Tikanoja's Carve-out financial statements is included in the F-pages of this Prospectus. The independent auditor's report on the audit for the New Lassila & Tikanoja's Carve-out financial statements includes an emphasis of matter paragraph. In this emphasis of matter, the independent auditor has drawn attention to the note Background and basis of preparation in the set of carve-out financial statements. The note includes a description of the principles applied with regards to the designation of assets and liabilities, income and expenses as well as cash flows directly attributable to the New Lassila & Tikanoja. In addition, the note mentioned above explains that the New Lassila & Tikanoja has not formed a separate legal group of entities during the years presented. Thus, the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of the New Lassila & Tikanoja if it had operated as a separate legal group of entities during the financial years presented, nor future performance. The opinion is not modified in respect of this matter.

The New Lassila & Tikanoja's Carve-out financial statements have been prepared on a carve-out basis from the Demerging Company's audited consolidated financial statements. The carve-out financial information for the nine months ended 30 September 2025 have been prepared on a carve-out basis from the Demerging Company's unaudited consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to the New Lassila & Tikanoja business. The carve-out financial statements and the carve-out financial information also include the allocation of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below in section "*Operating and Financial Review—Carve-out Financial Information and Factors Affecting Comparability*". The most significant estimates, judgements and assumptions relate to the allocation of the costs of certain centrally provided shared services, leasing arrangements and shared assets, cash management and financing, determination of current and deferred income taxes and invested equity.

The New Lassila & Tikanoja's Carve-out financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to the New Lassila & Tikanoja as described in the notes of the audited Carve-out financial statements included in the F-pages to this Prospectus and under section "*Operating and Financial Review—Carve-out Financial Information and Factors Affecting Comparability—Carve-out Principles Applied in Preparing the New Lassila & Tikanoja's Carve-out Financial Information*". The unaudited carve-out financial information of the New Lassila & Tikanoja as at and for the nine months ended 30 September 2025, including unaudited comparative carve-out financial information as at and for the nine months ended 30 September 2024 has been prepared in accordance with "IAS 34 - Interim Financial Reporting" under the same carve-out considerations as described above.

Accordingly, the carve-out financial information of the New Lassila & Tikanoja does not necessarily reflect what the New Lassila & Tikanoja's results of operations, financial position or cash flows would have been had the New Lassila & Tikanoja operated as a standalone legal group and had it presented standalone consolidated financial statements during the periods presented. Moreover, the carve-out financial information of the New Lassila & Tikanoja may not be indicative of the New Lassila & Tikanoja's future results of operations, financial position or cash flows. See "*Operating and Financial Review—Carve-out Financial Information and Factors Affecting Comparability*".

Unaudited Pro Forma Financial Information

The combined Unaudited Pro Forma Financial Information included in this Prospectus is presented to illustrate the effect of the Demerger on the New Lassila & Tikanoja's historical carve-out financial information, as if the Demerger had been consummated at an earlier point in time. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only.

The unaudited pro forma combined income statement for the financial year ended 31 December 2024 and the unaudited pro forma combined income statement for the nine months ended 30 September 2025 give effect to the Demerger as if it had been consummated on 1 January 2024. The unaudited pro forma combined statement of financial position as at 30 September 2025 gives effect to the Demerger as if it had been consummated on that date.

Because of its nature, the Unaudited Pro Forma Financial Information illustrates the hypothetical impact of the Demerger, had it been consummated at the date assumed in the Unaudited Pro Forma Financial Information, and, therefore, does not represent the actual results of operations or financial position of the New Lassila & Tikanoja. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of the New Lassila & Tikanoja at any future date and does not represent the results of operations or financial position of the New Lassila & Tikanoja as an independent listed company during the periods presented.

The Unaudited Pro Forma Financial Information illustrates adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to the Unaudited Pro Forma Financial Information. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EU) 2019/980 and on a basis consistent with the IFRS Accounting Standards applied by the New Lassila & Tikanoja and consistent with the carve-out principles set forth in the notes to the audited Carve-out financial statements included in the F-pages of this Prospectus.

The pro forma financial information is unaudited.

The pro forma adjustments presented herein are based on the New Lassila & Tikanoja's unaudited interim carve-out financial information as at and for the nine months ended 30 September 2025, the audited carve-out financial statements as at and for the financial year ended 31 December 2024, and the Demerging Company's management's estimate of the assets and liabilities to be transferred to the New Lassila & Tikanoja, as well as the costs related to the Demerger and the Listing, which the New Lassila & Tikanoja is responsible for, as set forth in the Demerger Plan.

The final amounts of assets and liabilities transferred to the New Lassila & Tikanoja in the Demerger may materially differ from the amounts presented in the Unaudited Pro Forma Financial Information, as such balances are determined based on the carrying values of the transferring assets and liabilities on the Effective Date of the Demerger. This could result in a significant variation in the future results of operations and financial position of the New Lassila & Tikanoja, compared to the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information does not include all information required for financial statements under the IFRS Accounting Standards and should be read together with the New Lassila & Tikanoja's carve-out financial information and other information included in this Prospectus. See also "*Risk Factors—Risks relating to the Demerger—*

The New Lassila & Tikanoja's carve-out financial information and pro forma financial information may not give an accurate view of the New Lassila & Tikanoja's business, financial position and results of operations".

Alternative Performance Measures

This Prospectus includes certain performance measures of the New Lassila & Tikanoja's historical financial performance, financial position and cash flows, which, in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority ("**ESMA**"), are not accounting measures defined or specified in IFRS Accounting Standards and therefore are considered as alternative performance measures.

The New Lassila & Tikanoja presents the following alternative performance measures:

- Net sales growth, %
- Adjusted EBITDA
- Adjusted EBITDA margin, %
- EBITDA
- EBITDA margin, %
- Adjusted EBITA
- Adjusted EBITA margin, %
- Operating profit
- Net cash flow from operating activities after investments
- Capital employed
- Gross capital expenditure
- Return on capital employed, % (ROCE)
- Return on equity, % (ROE)
- Net interest-bearing liabilities
- Net debt / Adjusted EBITDA (rolling 12 months)
- Equity ratio, %
- Gearing, %

The detailed definitions and reasons for the use of these alternative performance measures have been presented in section "*Selected Combined Carve-out Financial Information—The Definitions and Reasons for the Use of Financial Key Indicators*". The reconciliation of alternative performance measures is presented in "*Selected Combined Carve-out Financial Information—Reconciliation of Alternative Performance Measures*".

The New Lassila & Tikanoja presents the alternative performance measures as additional information to the financial measures presented in the combined income statement, combined statement of comprehensive income, combined statement of financial position and combined statement of cash flows prepared in accordance with IFRS Accounting Standards. In the New Lassila & Tikanoja's view, alternative performance measures provide management, investors, securities market analysts and other parties with relevant and useful additional information on the results of operations, financial position and cash flows of the New Lassila & Tikanoja.

Alternative performance measures should not be viewed in isolation or as a substitute to the financial measures defined or specified in IFRS Accounting Standards. All companies do not calculate alternative performance measures in a uniform way, and therefore, the alternative performance measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies.

The alternative performance measures are unaudited except for the alternative performance measures operating profit, net cash flow from operating activities after investments and net interest-bearing liabilities for the years ended 31 December 2024, 31 December 2023, and 31 December 2022, which are audited.

Alternative Performance Measures on pro forma basis

The Demerger will have an impact on the New Lassila & Tikanoja's results of operations and financial position and, as such, has an impact on the comparability of the historical carve-out financial information presented. Accordingly, certain key figures of the New Lassila & Tikanoja's business have been presented on a pro forma basis for the financial year ended 31 December 2024 and as at and for the nine months ended 30 September 2025 to illustrate what the hypothetical impact would have been if the Demerger had been consummated at the date assumed in the Unaudited Pro Forma Financial Information. The pro forma key figures are presented for illustrative purposes only and do not represent the New Lassila & Tikanoja's actual results of operations or financial position. For a detailed basis of preparation of the pro forma information and the related notes, see section "*Unaudited Pro Forma Financial Information*".

The unaudited pro forma key figures are considered alternative performance measures, as they are not accounting measures defined or specified under the IFRS Accounting Standards. The alternative performance measures are presented as supplementary information to the financial measures presented in the historical carve-out financial information prepared in accordance with the IFRS Accounting Standards. Management believes the unaudited pro forma key figures to provide meaningful supplemental information to management, investors, analysts and other parties on the New Lassila & Tikanoja's results of operations and financial position.

The New Lassila & Tikanoja presents the following alternative performance measures on a pro forma basis:

- Operating profit
- EBITDA
- EBITDA margin, %
- Items affecting comparability
- Adjusted EBITDA
- Adjusted EBITDA margin, %
- Adjusted EBITA
- Adjusted EBITA margin, %
- Interest-bearing liabilities
- Capital employed
- Return on capital employed, % (ROCE)
- Return on equity, % (ROE)
- Net interest-bearing liabilities
- Net debt / Adjusted EBITDA
- Gearing, %
- Equity ratio, %

Rounding

The figures presented in this Prospectus, including the financial information, have been subject to rounding. Accordingly, in certain instances, the sum of the numbers in a column or row in tables may not conform exactly to the total figure given for that column or row. In addition, certain per centages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Currencies

As used herein, references to "euro", "EUR" or "€" are to the euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community.

Market and Industry Information

This Prospectus includes information on the market environment, market size and developments, market shares, market positions, market trends, estimates and forecasts and on the competitive situation in the markets and regions in which the New Lassila & Tikanoja operates. The information is based on various sources, including Eurostat, Statistics Finland, Statistics Sweden, OECD and the services ordered from Boston Consulting Group by the Demerging Company in spring 2025 and information obtained in other ways. The historical market data is compiled from statistics and information from industry associations, country organisations and other market data providers, information supplied by, or on behalf of, the Demerging Company, and publicly available information from other sources. Certain of the market estimates and forecasts contained in this Prospectus are based on the analysis by the Demerging Company based on its own information and information derived from third-party sources concerning the factors affecting the growth of the markets and their forecasted development.

The statements in this Prospectus on the business lines of the New Lassila & Tikanoja, its market position, and other companies operating in its market areas are based solely on the investigations and assessments of the Demerging Company, as well as other sources, which the Demerging Company deems reliable. However, the Demerging Company cannot guarantee that any of these statements are accurate or give an accurate description of the New Lassila & Tikanoja's position in its market, and none of the Demerging Company's internal investigations or information has been verified using external sources.

Information Derived from Third Party Sources

Where certain information contained in this Prospectus has been derived from third-party sources, such sources have been identified herein. The Demerging Company confirms that such third-party information has been accurately reproduced in the Prospectus and that as far as the Demerging Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information misleading or inaccurate.

Website Information

The Demerging Company will publish this Prospectus and any supplements thereto on its website. The contents of the Demerging Company's current website (https://www.lt.fi/en/) or the website to be launched at the latest on the Effective Date (https://www.luotea.com/en/) or the New Lassila & Tikanoja's website (https://www.lt.fi/en/) or any other website do not form part of this Prospectus, and prospective investors should not rely on such information in making their decision to invest in securities.

U.S. Tax Treatment

The characterisation of the Demerger for United States federal income tax purposes depends on a complex analysis based on the facts and circumstances relevant to the Demerger. The Demerger will be treated as a taxable distribution of shares with respect to Shares in the New Lassila & Tikanoja unless it qualifies for non-recognition treatment under the specific requirements of section 368(a)(1)(D) and section 355 of the U.S. Internal Revenue Code. These rules are complex and the New Lassila & Tikanoja has not conducted a detailed analysis in this respect. Accordingly, each owner of Shares in the New Lassila & Tikanoja that is a resident of the United States for U.S. federal income tax purposes (or otherwise subject to U.S. federal net income taxation with respect to its investment in such shares) should consult its own tax advisor about the proper United States federal, state and local tax treatment of the Demerger, and the consequences to such holder of receiving, owning or disposing of the Shares.

Notice to Shareholders in the United States

The distribution of the Demerger Consideration Shares has not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any state of the United States. This Prospectus is neither an offer to sell nor a solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale in the United States.

Neither the SEC nor any other U.S. federal or state securities commission or regulatory authority has approved or disapproved the Demerger Consideration Shares to be issued as Demerger Consideration, nor have any foregoing authorities passed an opinion upon the fairness or merits of such securities or upon the accuracy or adequacy of the disclosures contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Any financial statements or other financial information included in this Prospectus may have been prepared in accordance with the IFRS Accounting Standards or other standards and may not be comparable to the financial statements of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Notice to Shareholders in the United Kingdom

In respect of the United Kingdom, no Demerger Consideration Shares have been offered or will be offered pursuant to this offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Demerger Consideration Shares that has been approved by the Financial Conduct Authority, except that offers of the Demerger Consideration Shares may be made to the public in the United Kingdom at any time:

a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Demerging Company for any such offer; or

c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**"),

provided that no such offer of the Demerger Consideration Shares shall require the Demerging Company to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Demerger Consideration Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Demerger Consideration Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Demerger Consideration Shares, and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

In the United Kingdom, this Prospectus is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 43 of the Financial Promotion Order (for example as shareholders in the Demerging Company entitled to receive the Demerger Consideration Shares pursuant to the Finnish Companies Act), (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FMSA) in connection with the issue or sale of the Demerger Consideration Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). This Prospectus is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Notice to Shareholders in the European Economic Area

This Prospectus has been prepared on the basis that any offer of the Demerger Consideration Shares in any Member State of the European Economic Area ("**EEA**") other than offers (the "**Permitted Public Offers**") which are made prior to the Effective Date, and which are contemplated in the Prospectus in Finland once the Finnish Prospectus has been approved by the competent authority in Finland and published in accordance with the Prospectus Regulation, and in respect of which the Demerging Company has consented in writing to the use of the Prospectus, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Demerger Consideration Shares. Accordingly, any person making or intending to make an offer in that Member State of the Demerger Consideration Shares which are the subject of the offer contemplated in this Prospectus, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for the Demerging Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. The Demerging Company has not authorised, nor does it authorise, the making of any offer (other than Permitted Public Offers) of the Demerger Consideration Shares in circumstances in which an obligation arises for the Demerging Company to publish or supplement a prospectus for such offer.

In relation to each Member State of the EEA no offer has been made and will not be made (other than a Permitted Public Offer) of the Demerger Consideration Shares which are the subject of the offering contemplated by this Prospectus to the public in that Member State, except that an offer of such Demerger Consideration Shares is made to the public in that Member State:

a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Demerging Company for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no offer of the Demerger Consideration Shares is made which would require the Demerging Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

In this section, the expression an offer of the Demerger Consideration Shares to the public in relation to any Demerger Consideration Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Demerger Consideration Shares to be offered so as to enable an investor to decide to purchase or subscribe to the Demerger Consideration Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended), and includes any relevant implementing measure in the EEA Member State concerned.

CERTAIN IMPORTANT DATES

7 August 2025	Publication of the Demerger Plan and stock release related to the Demerger
10 October 2025	Notice to the Extraordinary General Meeting of the Demerging Company
On or about 20 November 2025	Finnish Prospectus and Prospectus available
24 November 2025	Record date of the Extraordinary General Meeting of the Demerging Company
1 December 2025 by 10:00 (Finnish time)	The last day for the holders of nominee registered shares to become registered in the temporary shareholders' register maintained by Euroclear Finland in order to obtain the right to participate in the Extraordinary General Meeting of the Demerging Company
4 December 2025	Extraordinary General Meeting of the Demerging Company
31 December 2025	The date of which the Demerging Company's shares registered on a Demerging Company's shareholder's book-entry account will entitle to Demerger Consideration 31 December 2025)
31 December 2025	Planned Effective Date (provided that the conditions for the execution of the Demerger are fulfilled)
On or about 2 January 2026	Demerger Consideration Shares registered in the book-entry accounts of the shareholders of the Demerging Company (provided that the Effective Date is 31 December 2025)
On or about 2 January 2026	Trading in the Shares commences on the official list of Nasdaq Helsinki (provided that the Effective Date is 31 December 2025)

SUMMARY OF THE DEMERGER

The description below provides a general overview of the Demerger and the New Lassila & Tikanoja, and is based on, among others, the assumption that the Demerger will be implemented in the manner and within the timetable planned in this Prospectus. However, there are no guarantees that the Demerger will be executed within the timetable laid out in this Prospectus or at all, either of which could result in any statement on the New Lassila & Tikanoja below being unfulfilled. See "Risk factors—Risks relating to the Demerger".

General Description

The Demerging Company announced on 7 August 2025 that the Board of Directors of the Demerging Company has approved the Demerger Plan and has proposed that the Extraordinary General Meeting of the Demerging Company convened to be held on 4 December 2025 would resolve upon the Demerger as set forth in the Demerger Plan. The Demerger is a partial demerger of the Demerging Company to the effect that all assets, debts and liabilities of the Demerging Company relating to the Circular Economy Business Area or mainly serving the Circular Economy Business Area of the Demerging Company shall be transferred without a liquidation procedure to the New Lassila & Tikanoja, a company to be incorporated in the Demerger, on the Effective Date, as set forth in the Demerger Plan. The Demerging Company shall not be dissolved as a result of the Demerger and assets, debts and liabilities other than those which relate to, or mainly serve, the Circular Economy Business Area shall remain with the Demerging Company. The Demerger shall be carried out in accordance with Chapter 17 of the Finnish Companies Act and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended) as a tax-neutral demerger, of which the Demerging Company has received an advance ruling from the Finnish Tax Administration. The Demerger is a partial demerger as defined in Chapter 17, Section 2, Subsection 1, Paragraph 2 of the Finnish Companies Act.

The purpose of the Demerger is to carry out the separation of the Demerging Company's current core businesses Circular Economy Business Area and facility services business into two standalone companies. As a part of this arrangement, the New Lassila & Tikanoja will be listed as a new publicly listed company. Based on the assessment of the Board of Directors of the Demerging Company, the separation of the New Lassila & Tikanoja from the Demerging Company could unlock shareholder value by enabling both businesses to pursue their own focused strategies and growth opportunities more effectively.

According to the assessment of the Board of Directors of the Demerging Company, the Demerger is expected to improve the business performance of both the New Lassila & Tikanoja and the Demerging Company through increased agility, separation of decision-making and a stronger management focus. As two separate companies, the New Lassila & Tikanoja and the Demerging Company are also better positioned to pursue faster growth, both organically and inorganically, supported by a more efficient capital allocation strategy. The Board of Directors of the Demerging Company believes that the Demerger into two distinct companies would increase the attractiveness of the companies involved and facilitate the valuation of their respective businesses. Furthermore, the Demerger would clarify management and simplify corporate structures, as well as increase transparency and clarify responsibilities.

The Board of Directors of the Demerging Company has on 10 October 2025 proposed that the Extraordinary General Meeting of the Demerging Company convened to be held on 4 December 2025 would resolve on the approval of the Demerger in accordance with the Demerger Plan published by the Demerging Company on 7 August 2025. Should there exist a need to amend the resolutions made by the Extraordinary General Meeting of the Demerging Company prior to the Effective Date, the Demerging Company may convene a new General Meeting to resolve on the amendments. Regardless of the resolution by the Extraordinary General Meeting of the Demerging Company, the Board of Directors of the Demerging Company may resolve not to complete the Demerger if it considers that the completion would no longer be in the best interests of the Demerging Company and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed.

The shareholders of the Demerging Company shall receive as Demerger Consideration one (1) Demerger Consideration Share for each share owned in the Demerging Company, that is, the Demerger Consideration shall be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1. After the Demerger there shall be one (1) share class in the New Lassila & Tikanoja and the shares shall not have a nominal value. No other consideration shall be issued to the shareholders of the Demerging Company in addition to the above-mentioned Demerger Consideration to be issued in the form of Shares. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued to any treasury shares held by the Demerging Company.

The Demerger Consideration shall be issued to the shareholders of the Demerging Company on the Effective Date or as soon as possible thereafter. The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Oy, in such manner that the Demerger Consideration Shares shall be issued using the ratio specified in the Demerger Plan based on the number of shares issued by the Demerging Company and registered in the book-entry accounts of the Demerging Company's shareholders on the Effective Date. The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of the Demerging Company in relation thereto. As the Demerger is a partial demerger into a new company to be incorporated pursuant to the Finnish Companies Act, the Demerging Company's shareholders do not have the right to demand that the Demerger Consideration be redeemed.

The allocation of the Demerger Consideration is based on the shareholding in the Demerging Company on the Effective Date. The final total number of the Demerger Consideration Shares issued as Demerger Consideration shall be determined on the basis of the number of shares in the Demerging Company held by shareholders, other than the Demerging Company itself, on the Effective Date. On the date of this Prospectus, the Demerging Company holds 587,150 of its own shares as treasury shares. According to the situation as at the date of this Prospectus, the total number of the Demerger Consideration Shares to be issued as Demerger Consideration would therefore be 38,211,724. The final total number of Shares may be affected by, among other things, any change concerning the shares issued by the Demerging Company, including, for example, the Demerging Company issuing new shares or acquiring its own shares prior to the Effective Date. Shares may be transferred prior to the Effective Date for instance in order to pay share rewards in accordance with share-based incentive plans.

The Demerging Company intends to apply for listing of the Shares in the New Lassila & Tikanoja on the official list of Nasdaq Helsinki. The trading in the Shares in the New Lassila & Tikanoja on Nasdaq Helsinki is expected to begin on 2 January 2026 or as soon as reasonably possible thereafter. The Demerging Company is a public limited liability company incorporated under the laws of Finland, and its registered office is in Helsinki, Finland.

The Board of Directors of the Demerging Company has the right to resolve on the listing of the New Lassila & Tikanoja's Shares and to take measures in preparation for the listing, including entering into agreements concerning the listing.

The Demerger will not affect the listing of, or trading in, the shares of the Demerging Company.

Demerger Plan

The Board of Directors of the Demerging Company has proposed that the Extraordinary General Meeting of the Demerging Company, convened to be held on 4 December 2025 at 4:00 p.m. (Finnish time) in Valkea Talo, at the address of Ilkantie 4, Haaga, 00400 Helsinki, Finland, would resolve upon the Demerger as set forth in the Demerger Plan published by the Demerging Company on 7 August 2025. The Demerger Plan is attached to this Prospectus as Annex A. In addition, the Demerger Plan and its appendices are on display on the Demerging Company's website at https://www.lt.fi/en/investors/lt-as-an-investment/demerger-2025, and at the registered office of the Demerging Company, which is located at Valimotie 27, FI-00380 Helsinki until 1 December 2025. As of 2 December 2025, the registered office of the Demerging Company will be located at Kutomotie 2, FI-00380 Helsinki, Finland.

Creditor Consents and Waivers

On 7 August 2025, the Demerging Company commenced written procedures and approached the holders of its EUR 75 million Notes with a proposal to obtain consents, waivers and decisions regarding amendments to the terms of the Notes in relation to the transfer of the Notes to the New Lassila & Tikanoja, any undertakings or obligations under the Notes which may be breached as a result of the Demerger and decisions to amend the terms and conditions of the Notes, as may be required for the Demerger. In connection with the written procedures, the holders of the Notes were also asked to confirm that they have waived their statutory right to object to the Demerger pursuant to Chapter 17, Section 6 of the Finnish Companies Act and any right they may have pursuant to Chapter 17, Section 16 of the Finnish Companies Act to make a claim against the Demerging Company after the completion of the Demerger on the basis of the secondary demerger liability with respect to the Notes. On 29 August 2025, the Demerging Company announced that the holders of the Notes have granted the requested consents and waivers and have approved the amendments to the terms and conditions in a written procedure. In the event the Demerger does not occur by 31 March 2026, any and all consents, waivers and amendments shall lapse.

In addition, a number of financing agreements and other financing arrangements of the Demerging Company contain certain customary demerger and change of control clauses which could be breached as a result of the Demerger without an appropriate waiver or consent by the counterparties. The Demerging Company has obtained necessary waivers and consents for its significant financing agreements. In connection with obtaining the waivers and consents from the creditors, the creditors were also asked to waive their statutory right to object to the Demerger pursuant to Chapter 17, Section 6 of the Finnish Companies Act and any right they may have pursuant to Chapter 17, Section 16 of the Finnish Companies Act to make a claim against the New Lassila & Tikanoja and/or the Demerging Company after the completion of the Demerger on the basis of the secondary demerger liability.

Pursuant to the Finnish Companies Act, the Demerger requires the prior completion of a credit hearing process during which creditors of the Demerging Company may object to the Demerger until a specified due date. In the Demerger, such due date is 24 November 2025.

Related Arrangements

The Demerger will affect the Demerging Company's administrative, accounting and other functions, as some of the personnel in these functions and the functions of the Demerging Company's subsidiaries will transfer to the New Lassila & Tikanoja or its subsidiaries on the Effective Date.

Transitional Services Agreements

The Demerging Company and the New Lassila & Tikanoja intend to enter into transitional services agreements prior to the Effective Date concerning certain services that will be provided on a transitional basis by (i) the New Lassila & Tikanoja or any of its affiliates, either directly or through external service providers, to the Demerging Company and (ii) the Demerging Company or any of its affiliates, either directly or through external service providers, to the New Lassila & Tikanoja to facilitate the continued operation of each party to the transitional services agreements for a limited transitional period after the completion of the Demerger. The transitional services agreements cover certain areas such as information technology services, human resources reporting services, treasury and finance. Some of the services covered by the transitional services agreements are services provided by third parties. The Parties' common goal is that each party uses its best efforts to create or acquire, as soon as possible, necessary capabilities and resources to perform similar services to those services covered by the transitional services agreements by itself or procure such services from external service providers. Each party shall take all necessary measures to separate its operations from the operations of another party and continue them independently. See also "*Related Party Transactions*".

The services are intended only for a limited transitional term. The term of each service is defined separately, the service period varying from two (2) to six (6) months. The transitional services agreements shall remain in force until the expiry of the transition period of all services, and any extension periods, if such are agreed between the parties. The Demerging Company and the New Lassila & Tikanoja aim to minimise the number of transitional services and aim to have them in force for no longer than six (6) months following the Effective Date, where possible. With respect to certain services provided by, or dependent on, the external service providers, continuance of the provision of services may require a consent from the external service provider if the service should be provided for a longer period than what is agreed with the external service provider.

Shareholder Support

As announced by the Demerging Company on 7 August 2025 certain major shareholders of the Demerging Company, including Evald and Hilda Nissin säätiö sr, Nordea Investment Management AB (as investment manager on behalf of Nordea Småbolagsfond Norden, Nordea 1 – Nordic Small Cap Fund and Nordea Invest Nordic Small Cap Fund), Juhani Maijala, Heikki Bergholm, Ilmarinen Mutual Pension Insurance Company, Varma Mutual Pension Insurance Company, Mikko Maijala and Elo Mutual Pension Insurance Company, holding in the aggregate approximately 27.59 per cent of the shares and votes in the Demerging Company as at 7 August 2025, have, subject to certain customary conditions, irrevocably undertaken to attend the Demerging Company's Extraordinary General Meeting and vote in favour of the Demerger.

Proceeds of the Demerger

The New Lassila & Tikanoja will not raise any proceeds from the issuance of the Demerger Consideration.

Costs and Remuneration Related to the Demerger

Unless the Demerging Company and the New Lassila & Tikanoja separately agree otherwise or unless it is stipulated otherwise in the Demerger Plan (including Section 11 of the Demerger Plan), the following shall be applied to the allocation of the costs and remuneration related to the Demerger between the Demerging Company and the New Lassila & Tikanoja:

a) the Demerging Company shall be responsible for the costs and remuneration that relate directly to the Demerger process and its completion, including without limitation costs relating to, e.g., convening the Extraordinary General Meeting resolving on the Demerger, any Trade Register notifications required in connection with the Demerger, advisor fees related to the Demerger (unless otherwise stipulated in Section 22.8 of the Demerger Plan) and the fee payable to the auditor issuing their statement on the Demerger Plan;

b) the New Lassila & Tikanoja shall be responsible for the costs relating to the listing of Shares of the New Lassila & Tikanoja and the creation of the Shares in the book-entry securities system, including without limitation costs relating to, e.g., due diligence required by the listing, preparing this Prospectus, as well as costs and fees invoiced by the Finnish Financial Supervisory Authority, Nasdaq Helsinki and Euroclear Finland Oy, regardless of when such costs may arise. If such costs arise prior to the Effective Date, the Demerging Company shall invoice them from the New Lassila & Tikanoja after the Effective Date;

c) the New Lassila & Tikanoja shall be responsible for the costs related to the commencement of the New Lassila & Tikanoja's operations regardless of when such costs may arise. If such costs arise prior to the Effective Date, the Demerging Company shall invoice them from the New Lassila & Tikanoja after the Effective Date;

d) to the extent that current members of the Board of Directors of the Demerging Company will be elected to the Board of Directors of the New Lassila & Tikanoja and following the Effective Date will not be members of the Board of Directors of the Demerging Company, the New Lassila & Tikanoja shall reimburse the Demerging Company for such portion of the remuneration of such current members of the Board of Directors of the Demerging Company that has already been paid by the Demerging Company to them and that relates to the time period following the Effective Date. The Demerging Company shall invoice such remuneration portion from the New Lassila & Tikanoja after the Effective Date; and

e) the Companies Participating in the Demerger shall each be responsible for one-half of the costs and remuneration related to the Demerger that cannot be allocated based on Section 22.8, Subsections (a)–(d) of the Demerger Plan or that are not directly related to the operations of either of the Companies Participating in the Demerger.

The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 8 million, which primarily comprise of financial reporting, information management, legal and advisory related costs (excluding the estimated costs related to financing). The Demerging Company's portion of the costs related to the Demerger and Listing is expected to amount to approximately EUR 4.7 million and the New Lassila & Tikanoja's to approximately EUR 3.3 million.

Applicable Law

The Demerger is governed by the laws of Finland.

Extraordinary General Meeting of the Demerging Company on the Approval of the Demerger

General

The Board of Directors of the Demerging Company have on 10 October 2025 proposed that the Extraordinary General Meeting of the Demerging Company convened to be held on 4 December 2025 would resolve on the approval of the Demerger in accordance with the Demerger Plan published by the Demerging Company on 7 August 2025. According to the Demerger Plan all assets, debts and liabilities of the Demerging Company relating to the Circular Economy Business Area or mainly serving the Circular Economy Business Area of the Demerging Company would transfer without a liquidation procedure to a new company to be incorporated in the Demerger, the New Lassila & Tikanoja, on the Effective Date.

In addition, the proposed Articles of Association of the New Lassila & Tikanoja as appended to the Demerger Plan, are proposed to be approved in connection with the resolution on the Demerger.

Voting rights and the majority required for the approval of the Demerger

Each share in the Demerging Company will entitle its holder to one (1) vote at the Extraordinary General Meeting of the Demerging Company.

The Demerger must be approved by the Demerging Company's shareholders representing at least two-thirds of the votes cast and shares represented at the Extraordinary General Meeting. The Demerger must be approved in accordance with the Demerger Plan without any amendments. If the Extraordinary General Meeting will not approve the Demerger, the Demerger will not be completed.

Certain major shareholders of the Demerging Company have indicated their support for the proposed Demerger. See section "—*Shareholder support*" above.

Regardless of the resolution by the Extraordinary General Meeting of the Demerging Company, the Board of Directors of the Demerging Company may resolve not to complete the Demerger if it considers that the completion would no longer be in the best interests of the Demerging Company and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed.

Giving Notice of Resolutions

The resolutions of the Extraordinary General Meeting concerning the Demerger and the Demerger Plan will be made public as required by disclosure obligations applicable to the Demerging Company.

Interests of the Financial Adviser

Danske Bank A/S, Finland Branch acting as the financial adviser, as well as other entities within the same group, have provided and may provide in the future, advisory, consulting and/or banking services to the Demerging Company and the New Lassila & Tikanoja in the ordinary course of business. In accordance with customary practice, the Demerging Company has agreed with the financial adviser that their remuneration is success-based and linked to the completion of the Demerger.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth capitalisation and indebtedness of the New Lassila & Tikanoja as at 30 September 2025, (i) on a carve-out basis, and (ii) on a pro forma basis illustrating the effects of the Demerger as if the Demerger had been completed on 30 September 2025. The following information is based on the unaudited carve-out financial information of the New Lassila & Tikanoja as at and for the nine months ended 30 September 2025 and the unaudited pro forma combined statement of financial position information of the New Lassila & Tikanoja as at 30 September 2025.

This table should be read in conjunction with "*Selected Combined Carve-Out Financial Information*", "*Unaudited Pro Forma Financial Information*", "*Operating and Financial Review*" as well as the unaudited carve-out financial information and the Unaudited Pro Forma Financial Information included elsewhere in this Prospectus.

In EUR million	As at 30 September 2025 (unaudited)	
	(i)	(ii)
	The New Lassila & Tikanoja Carve-out	**The New Lassila & Tikanoja Pro forma[2)]**
CAPITALISATION		
Current interest-bearing liabilities		
Guaranteed / secured[1)]	11.3	11.4
Unguaranteed / unsecured	35.2	-
Total current interest-bearing liabilities	**46.4**	**11.4**
Non-current interest-bearing liabilities		
Guaranteed / secured[1)]	43.4	44.9
Unguaranteed / unsecured	-	124.7
Total non-current interest-bearing liabilities	**43.4**	**169.6**
Total current and non-current interest-bearing liabilities	**89.8**	**181.0**
EQUITY		
Equity attributable to the equity holders of the parent company		
Share capital	-	0.1
Currency translation differences	-0.4	-0.4
Reserve for invested unrestricted equity	-	14.5
Retained earnings	-	161.6
Invested equity and retained earnings	246.7	-
Total equity	**246.2**	**175.7**
Total equity and interest-bearing liabilities	**336.1**	**356.8**
NET INDEBTEDNESS		
Cash and cash equivalents	1.5	19.1
Current loan receivables and other interest-bearing receivables	0.1	-
Liquidity (A)	**1.6**	**19.1**
Current portion of interest-bearing liabilities	35.2	-
Current portion of non-current interest-bearing liabilities[1)]	11.3	11.4
Current financial indebtedness (B)	**46.4**	**11.4**
Net current financial indebtedness (C = B-A)	**44.9**	**-7.7**
Non-current interest-bearing liabilities[1)]	43.4	169.6
Non-current financial indebtedness (D)	**43.4**	**169.6**
Total financial indebtedness (C + D)	**88.3**	**161.9**

[1)] The carve-out information includes EUR 10.9 million current lease liabilities and EUR 43.3 million non-current lease liabilities. The pro forma information includes EUR 11.1 million current lease liabilities and EUR 44.8 million in non-current lease liabilities.
[2)] For further information on pro forma adjustments and basis of compilation, see "*Unaudited Pro Forma Financial Information*". The pro forma information is provided for illustrative purposes only. Accordingly, the hypothetical financial position and results of operations of the New Lassila & Tikanoja presented in the Unaudited Pro Forma Financial Information may differ from the New Lassila & Tikanoja's actual financial position and results of operations. The unaudited pro forma financial information is not intended to provide indications of the anticipated financial position or results of operations in the future.

For further information on the New Lassila & Tikanoja's off-balance sheet liabilities, contractual obligations and contingent liabilities, see "*Operating and Financial Review—Commitments and Contingent Liabilities*".

There have not been any material changes in the New Lassila & Tikanoja's capitalisation and indebtedness between 30 September 2025 and the date of this Prospectus.

Working Capital Statement

In the view of the Demerging Company's management, the New Lassila & Tikanoja's working capital is sufficient to cover the New Lassila & Tikanoja's needs for at least 12 months following the date of this Prospectus.

SELECTED COMBINED CARVE-OUT FINANCIAL INFORMATION

The following tables present selected combined carve-out financial information of the New Lassila & Tikanoja as at and for the years ended 31 December 2024, 2023, 2022, and as at and for the nine months ended 30 September 2025 and 2024. The selected combined carve-out financial information presented below has been derived from the New Lassila & Tikanoja's audited Carve-out financial statements and the unaudited carve-out financial information of the New Lassila & Tikanoja as at and for the nine months ended 30 September 2025, including unaudited comparative financial information as at and for the nine months ended 30 September 2024. The carve-out financial information of the New Lassila & Tikanoja has been prepared in accordance with the IFRS Accounting Standards, under consideration of the principles for determining which income, expenses, assets, liabilities and cash flows are to be assigned to the New Lassila & Tikanoja as described in the note to the New Lassila & Tikanoja's audited Carve-out financial statements included in the F-pages to this Prospectus.

The independent auditor's report on the audit for the New Lassila & Tikanoja's Carve-out financial statements includes an emphasis of matter paragraph. In this emphasis of matter, the independent auditor has drawn attention to the note Background and basis of preparation in the set of carve-out financial statements. The note includes a description of the principles applied with regards to the designation of assets and liabilities, income and expenses as well as cash flows directly attributable to the New Lassila & Tikanoja. In addition, the note mentioned above explains that the New Lassila & Tikanoja has not formed a separate legal group of entities during the years presented. Thus, the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of the New Lassila & Tikanoja if it had operated as a separate legal group of entities during the financial years presented, nor future performance. The opinion is not modified in respect of this matter.

The financial information presented below should be read in conjunction with sections "*Operating and Financial Review*", "*Certain Matters—Presentation of Financial and Certain Other Information*", "*Unaudited Pro Forma Financial Information*" and the New Lassila & Tikanoja's carve-out financial information included in the F-pages to this Prospectus.

Combined Income Statement

In EUR million	1 January to 30 September		1 January to 31 December		
	2025	2024	2024	2023	2022
	(unaudited)			(audited)	
Net sales	**315.5**	**318.5**	**423.9**	**422.1**	**450.9**
Other operating income	4.0	1.6	2.7	3.3	5.3
Materials and services	-89.7	-91.7	-123.6	-127.6	-164.5
Employee benefit expenses	-106.4	-105.4	-140.3	-137.0	-129.6
Other operating expenses	-59.7	-59.0	-78.8	-78.2	-78.1
Depreciation, amortisation and impairment	-33.7	-32.3	-43.4	-44.3	-39.4
Operating profit	**30.0**	**31.8**	**40.5**	**38.3**	**44.6**
Financial income	0.1	0.1	0.1	0.4	0.3
Financial expenses	-3.8	-3.3	-4.9	-3.3	-1.9
Exchange rate differences (net)	0.1	-0.0	-0.0	-0.0	0.1
Financial income and expenses	**-3.6**	**-3.3**	**-4.7**	**-2.9**	**-1.5**
Share of the result of associated companies and joint ventures	1.0	2.3	3.2	3.6	0.7
Result before taxes	**27.5**	**30.8**	**38.9**	**39.0**	**43.8**
Income taxes	-4.9	-5.8	-7.4	-6.6	-8.3
Result for the period	**22.5**	**25.0**	**31.5**	**32.4**	**35.5**
Attributable to:					
Equity holders of the New Lassila & Tikanoja	22.5	25.0	31.5	32.4	35.5

Combined Statement of Comprehensive Income

In EUR million	1 January to 30 September 2025	1 January to 30 September 2024	1 January to 31 December 2024	1 January to 31 December 2023	1 January to 31 December 2022
	(unaudited)			(audited)	
Result for the period	**22.5**	**25.0**	**31.5**	**32.4**	**35.5**
Other comprehensive income, net of tax					
Items that may be reclassified to profit or loss					
Currency translation differences	0.3	-0.2	-0.3	0.0	-0.5
Other comprehensive income, total	**0.3**	**-0.2**	**-0.3**	**0.0**	**-0.5**
Total comprehensive income, after tax	**22.8**	**24.8**	**31.2**	**32.4**	**35.0**
Attributable to					
Equity holders of the New Lassila & Tikanoja	22.8	24.8	31.2	32.4	35.0

Combined Statement of Financial Position

In EUR million	As at 30 September 2025	As at 30 September 2024	As at 31 December 2024	As at 31 December 2023	As at 31 December 2022
	(unaudited)			(audited)	
ASSETS					
Non-current assets					
Goodwill	122.5	118.9	118.8	118.2	118.2
Other intangible assets	37.0	33.9	35.1	28.6	24.3
Total intangible assets	**159.5**	**152.8**	**153.9**	**146.9**	**142.5**
Right-of-use assets	52.0	57.4	54.8	60.7	54.5
Other property, plant and equipment	148.9	156.1	155.3	153.1	140.4
Total property, plant and equipment	**200.9**	**213.5**	**210.1**	**213.8**	**195.0**
Shares in associated companies and joint ventures	18.3	18.1	18.9	17.6	14.0
Other shares and holdings	0.1	0.1	0.1	0.1	0.1
Other non-current receivables	0.4	0.5	0.4	0.9	1.0
Total other non-current assets	**18.8**	**18.6**	**19.5**	**18.6**	**15.1**
Total non-current assets	**379.2**	**384.9**	**383.4**	**379.3**	**352.6**
Current assets					
Inventories	11.1	9.0	9.2	7.7	7.7
Trade receivables	63.4	57.7	49.4	54.6	58.4
Contract assets	16.8	9.8	7.2	8.7	5.8
Income tax receivables	0.2	0.0	0.0	-	6.5
Cash-pool receivables from related parties	0.1	-	0.1	0.3	20.5
Other current receivables	2.7	1.5	1.7	1.5	1.9
Cash and cash equivalents	1.5	0.9	1.9	2.4	2.6
Total current assets	**95.7**	**78.9**	**69.6**	**75.2**	**103.3**
TOTAL ASSETS	**474.9**	**463.9**	**453.0**	**454.5**	**455.9**

In EUR million	As at 30 September		As at 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(audited)		
INVESTED EQUITY AND LIABILITIES					
Total invested equity	**246.2**	**244.6**	**252.1**	**251.4**	**257.8**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	22.0	21.1	21.7	20.6	20.7
Pension liabilities	0.1	0.1	0.1	0.1	0.1
Provisions	6.5	6.7	6.3	7.2	7.4
Borrowings	0.1	0.3	0.3	0.8	1.4
Lease liabilities	43.3	47.4	45.2	47.5	41.4
Other liabilities	6.0	12.7	13.4	13.2	13.3
Total non-current liabilities	**78.1**	**88.2**	**87.0**	**89.5**	**84.3**
Current liabilities					
Borrowings	0.3	0.7	0.5	0.6	0.7
Cash-pool liabilities to related parties	35.2	21.8	11.6	1.4	6.9
Lease liabilities	10.9	12.1	11.7	14.7	14.4
Trade and other payables	99.0	91.1	89.4	96.5	91.7
Income tax liabilities	5.0	5.4	0.1	0.4	0.2
Provisions	0.2	-	0.6	0.1	-
Total current liabilities	**150.6**	**131.0**	**113.9**	**113.6**	**113.9**
Total liabilities	**228.7**	**219.3**	**200.9**	**203.0**	**198.2**
TOTAL INVESTED EQUITY AND LIABILITIES	**474.9**	**463.9**	**453.0**	**454.5**	**455.9**

Combined Statement of Cash Flows

In EUR million	1 January to 30 September 2025	1 January to 30 September 2024	1 January to 31 December 2024	1 January to 31 December 2023	1 January to 31 December 2022
	(unaudited)			(audited)	
Cash flows from operating activities					
Result for the period	22.5	25.0	31.5	32.4	35.5
Adjustments					
Income taxes	4.9	5.8	7.4	6.6	8.3
Depreciation, amortisation and impairment	33.7	32.3	43.4	44.3	39.4
Financial income and expenses	3.6	3.3	4.7	2.9	1.5
Gains and losses on sale of tangible and intangible assets	-0.1	-0.8	-0.7	-0.2	0.2
Share of result of associated companies and joint ventures	-1.0	-2.3	-3.2	-3.6	-0.7
Provisions	-0.6	-0.3	-0.2	-0.5	-1.0
Gain from sale of subsidiary's net assets to joint venture	-	-	-	-	-4.3
Impact of the discontinuation of Russian operations	-	-	-	-	-0.2
Other adjustments	-2.0	0.4	1.1	0.5	0.9
Net cash generated from operating activities before change in working capital	**61.1**	**63.3**	**84.0**	**82.5**	**79.6**
Change in working capital					
Change in trade and other receivables	-24.4	-3.6	7.0	1.4	1.5
Change in inventories	-1.4	-1.3	-1.5	-0.0	-0.9
Change in trade and other payables	5.0	-2.7	-3.9	0.8	-0.2
Change in working capital	**-20.8**	**-7.6**	**1.5**	**2.2**	**0.4**
Interest and other financial expenses paid	-3.6	-3.7	-4.7	-3.1	-1.7
Interest and other financial income received	0.1	0.1	0.1	0.4	0.3
Income taxes paid	0.1	-0.5	-6.9	0.1	-6.7
Net cash from operating activities	**36.9**	**51.6**	**74.0**	**82.0**	**71.8**
Cash flows from investing activities					
Acquisitions of subsidiaries and businesses, net of cash acquired	-8.0	-1.5	-1.5	-	-13.2
Proceeds from sale of subsidiaries and businesses, net of sold cash	-	-	-	-	-2.0
Purchases of intangible assets and property, plant and equipment	-15.0	-32.3	-41.2	-42.9	-29.7
Proceeds from sale of intangible assets and property, plant and equipment	0.2	1.0	1.1	0.3	0.2
Dividends received from joint venture	1.6	1.8	1.8	-	-
Repayment of loan receivables from joint venture	-	-	-	-	16.4
Dividends received from other non-current investments	0.0	0.0	0.0	-	0.0
Net cash from investing activities	**-21.3**	**-31.0**	**-39.8**	**-42.6**	**-28.2**
Net cash from operating and investing activities	**15.6**	**20.6**	**34.3**	**39.4**	**43.6**
Cash flows from financing activities					
Cash pool financing with Demerging Company	23.5	20.7	10.5	14.7	5.7
Equity financing with Demerging Company's group, net	-28.9	-31.7	-30.7	-39.1	-33.2
Repayments of long-term borrowings	-0.4	-0.5	-0.6	-0.7	-0.9
Repayments of lease liabilities	-10.2	-10.6	-13.9	-14.5	-14.1
Net cash from financing activities	**-15.9**	**-22.1**	**-34.8**	**-39.5**	**-42.4**
Net change in cash and cash equivalents	**-0.3**	**-1.4**	**-0.5**	**-0.1**	**1.2**
Cash and cash equivalents at the beginning of the period	1.9	2.4	2.4	2.6	1.5
Effect of changes in foreign exchange rates	-0.1	-0.0	-0.0	-0.0	-0.1
Cash and cash equivalents at the end of the period	**1.5**	**0.9**	**1.9**	**2.4**	**2.6**

Financial Key Figures

The New Lassila & Tikanoja follows several key figures to measure its performance. The key figures also include alternative performance measures. For more information on alternative performance measures and their purpose of use, see "*Certain Matters—Presentation of Financial and Certain Other Information—Alternative Performance Measures*", as well as below in sections "*—The Definitions and Reasons for the Use of Financial Key Indicators*" and "*—Reconciliation of Alternative Performance Measures*".

The following table sets forth the key figures of the New Lassila & Tikanoja for the periods indicated or at the dates indicated.

	As at 30 September and 1 January to 30 September		As at 31 December and 1 January to 31 December		
In EUR million, unless otherwise indicated	**2025**	**2024**	**2024**	**2023**	**2022**
	(unaudited)		**(unaudited, unless otherwise indicated)**		
Net sales	315.5	318.5	423.9[1)]	422.1[1)]	450.9[1)]
Net sales growth, %	-1.0	-	0.4	-6.4	-
Adjusted EBITDA	64.0	65.1	86.0	82.9	82.0
Adjusted EBITDA margin, %	20.3	20.5	20.3	19.6	18.2
EBITDA	63.8	64.1	83.8	82.6	84.0
EBITDA margin, %	20.2	20.1	19.8	19.6	18.6
Adjusted EBITA	31.6	34.2	44.4	40.5	44.1
Adjusted EBITA margin, %	10.0	10.7	10.5	9.6	9.8
Operating profit	30.0	31.8	40.5[1)]	38.3[1)]	44.6[1)]
Result for the period	22.5	25.0	31.5[1)]	32.4[1)]	35.5[1)]
Net cash flow from operating activities after investments	15.6	20.6	34.3[1)]	39.4[1)]	43.6[1)]
Capital employed	336.1	326.8	321.4	316.4	322.5
Gross capital expenditure	25.2	28.4	36.1	58.2	55.5
Return on capital employed, % (ROCE)	12.3	-	13.7	13.2	14.4
Return on equity, % (ROE)	11.8	-	12.5	12.7	13.8
Net interest-bearing liabilities	88.3	81.3	67.4[1)]	62.3[1)]	41.7[1)]
Net debt / Adjusted EBITDA (rolling 12 months)	1.0x	-	0.8x	0.8x	0.5x
Equity ratio, %	53.6	54.6	57.7	57.6	58.6
Gearing, %	35.9	33.2	26.7	24.8	16.2
Average number of employees in full-time equivalents (FTEs)	1,864	1,881	1,875	1,890	1,981
Number of employees at the end of period	2,337	2,329	2,219	2,312	2,195

1) Audited.

The Definitions and Reasons for the Use of Financial Key Indicators

Key figure	Definition	Reason for the use
Operating profit	Operating profit as presented in the combined income statement.	Operating profit reflects the result generated by the New Lassila & Tikanoja's business operations excluding financing, shares of the result of associated companies and joint ventures and taxes.
Net sales growth, %	Net sales for the period minus net sales for the comparison period, divided by net sales for the comparison period, as a percentage.	Net sales growth reflects the New Lassila & Tikanoja's ability to increase its net sales. This metric is one of the New Lassila & Tikanoja's medium-term financial targets.
EBITDA	Operating profit excluding depreciation, amortisation and impairments.	Management uses EBITDA to monitor the profitability excluding non-cash capital expenses of the New Lassila & Tikanoja's core business operations.
EBITDA margin, %	EBITDA as a percentage of net sales.	Management uses EBITDA to monitor the profitability excluding non-cash capital expenses of the New Lassila & Tikanoja's core business operations.

Items affecting comparability	Significant costs arising from business restructurings or business acquisitions, gains and losses from business divestments and costs arising from the discontinuation of businesses as well as other material items outside ordinary course of business.	Items that are not directly related to the New Lassila & Tikanoja's ordinary course of business are reported separately in order to assess the performance and comparability between reporting periods of its core business operations.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA, adjusted EBITA and related margins are presented in addition to operating profit and EBITDA to reflect underlying business performance and to enhance comparability from period to period. Management believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside the ordinary course of business, which reduce comparability between periods.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of net sales.	Adjusted EBITDA, adjusted EBITA and related margins are presented in addition to operating profit and EBITDA to reflect underlying business performance and to enhance comparability from period to period. Management believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside the ordinary course of business, which reduce comparability between periods.
Adjusted EBITA	Operating profit excluding amortisation and impairment of purchase price allocations to intangible assets from acquisitions, adjusted for items affecting comparability.	Adjusted EBITA measures profitability excluding acquisition-related amortisation and impairment, reflecting underlying business performance and enhancing comparability between periods.
Adjusted EBITA margin, %	Adjusted EBITA as a percentage of net sales.	Adjusted EBITA measures profitability excluding acquisition-related amortisation and impairment, reflecting underlying business performance and enhancing comparability between periods. This metric is one of the New Lassila & Tikanoja's medium-term financial targets.
Net cash flow from operating activities after investments	Net cash from operating and investing activities as presented in the combined statement of cash flows.	Net cash flow from operating activities after investments provides information on the New Lassila & Tikanoja's ability to generate cash from its operations after investments available for repaying debt or paying dividends.
Interest-bearing liabilities	Loans from financial institutions + lease liabilities + cash-pool liabilities to related parties	Component of capital employed, return on capital employed and net interest-bearing liabilities.
Capital employed	Invested equity + interest-bearing liabilities.	Capital employed reflects the total investment in the New Lassila & Tikanoja's business operations and it is used to calculate return on capital employed.
Return on capital employed, % (ROCE)	(Operating profit + financial income + share of the result of associated companies and joint ventures, rolling 12 months) / (Invested equity + interest-bearing liabilities (average of the end of the reporting period and the end of the comparison period)).	Return on capital employed is a profitability metric that the New Lassila & Tikanoja uses to measure how efficiently it uses invested capital to generate profits.

Gross capital expenditure	Investments in intangible assets, acquisitions of heavy rental equipment included in right-of-use assets, and investments in property, plant and equipment, excluding additions to constructions related to environmental provisions, excluding additions of equipment related to compactors and balers leased from finance companies, as well as respective assets acquired through business combinations.	Gross capital expenditure indicate investments in operational, rental and strategic projects aimed at maintaining service production capacity and supporting growth of business operations.
Return on equity, % (ROE)	Result for the period (rolling 12 months) / invested equity (average at end of the reporting period and end of the comparison period).	This metric measures the New Lassila & Tikanoja's relative profitability, i.e. return on equity.
Net interest-bearing liabilities	Interest-bearing liabilities - cash-pool receivables from related parties - cash and cash equivalents.	Net interest-bearing liabilities is a liquidity measure used by management to monitor the New Lassila & Tikanoja's ability to pay its debts in the short-term.
Net debt / Adjusted EBITDA (rolling 12 months)	Net interest-bearing liabilities / adjusted EBITDA (rolling 12 months).	This measure is an indicator of the New Lassila & Tikanoja's indebtedness in relation to its operational financial performance. This measure is one of the New Lassila & Tikanoja's mid-term financial targets.
Gearing, %	Net interest-bearing liabilities / Invested equity.	This measure is an indicator of the New Lassila & Tikanoja's indebtedness by comparing equity invested by shareholders to interest-bearing liabilities borrowed from financiers.
Equity ratio, %	Invested equity / (statement of financial position total - advances received).	This measure indicates the relative proportion of equity used to finance the New Lassila & Tikanoja's assets, which helps to monitor the indebtedness of the New Lassila & Tikanoja.
Average number of employees in full-time equivalents (FTEs)	Average number of full-time equivalent employees during the reporting period.	Average number of employees in full-time equivalents (FTE) provides information about the overall staff size of the New Lassila & Tikanoja and FTE reflects the total number of working hours of all employees. Management believes that this provided information can be useful when analysing workforce costs, productivity or staffing needs.

Reconciliation of Alternative Performance Measures

EBITDA and Adjusted EBITDA to operating profit

In EUR million	1 January to 30 September		1 January to 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(unaudited, unless otherwise indicated)		
Operating profit	30.0	31.8	40.5[1)]	38.3[1)]	44.6[1)]
+ Depreciation, amortisation and impairments	33.7	32.3	43.4[1)]	44.3[1)]	39.4[1)]
EBITDA	**63.8**	**64.1**	**83.8**	**82.6**	**84.0**
Items affecting comparability:					
- The costs of termination of business	-	-	-	-	-0.2
- Expenses arising from business restructuring	1.9[3)]	0.5	0.8	0.1	-
- Gains or losses arising from the sale of business activities	-	-	-	-	-4.3
- Items related to the acquisition of business activities	-2.0	0.6	1.3	0.3	2.5
- Other items	0.4	-	-	-	-
Items affecting comparability total[2)]	**0.2**	**1.1**	**2.2**	**0.3**	**-2.0**
Adjusted EBITDA	**64.0**	**65.1**	**86.0**	**82.9**	**82.0**

[1)] Audited.
[2)] Items affecting comparability mainly include expenses related to business acquisitions, including changes in the fair value of the deferred consideration related to the acquisition of SVB, as well as expenses related to business restructurings. In addition, the items affecting comparability in 2022 include a EUR 4.3 million gain on the sale of the fuel wood business to the joint venture Laania Ltd. Further information on the valuation of the deferred consideration related to SVB is presented in Note 2.4 Other non-current liabilities, and on the sale of the fuel wood business in Note 5.4 Business disposals and assets and liabilities classified as held for sale to the audited Carve-out financial statements included in the F-pages to this Prospectus.
[3)] Includes EUR 1.8 million costs related to the Demerger and the Listing.

Adjusted EBITA to operating profit

In EUR million	1 January to 30 September		1 January to 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(unaudited, unless otherwise indicated)		
Operating profit	30.0	31.8	40.5[1)]	38.3[1)]	44.6[1)]
+ Amortisation of purchase price allocations to intangible assets from acquisitions	1.4	1.4	1.8	1.9	1.5
Items affecting comparability:					
- The costs of termination of business	-	-	-	-	-0.2
- Expenses arising from business restructuring	1.9[3)]	0.5	0.8	0.1	-
- Gains or losses arising from the sale of business activities	-	-	-	-	-4.3
- Items related to the acquisition of business activities	-2.0	0.6	1.3	0.3	2.5
- Other items	0.4	-	-	-	-
Items affecting comparability total[2)]	**0.2**	**1.1**	**2.2**	**0.3**	**-2.0**
Adjusted EBITA	**31.6**	**34.2**	**44.4**	**40.5**	**44.1**

[1)] Audited.
[2)] Items affecting comparability mainly include expenses related to business acquisitions, including changes in the fair value of the deferred consideration related to the acquisition of SVB, as well as expenses related to business restructurings. In addition, the items affecting comparability in 2022 include a EUR 4.3 million gain on the sale of the fuel wood business to the joint venture Laania Ltd. Further information on the valuation of the deferred consideration related to SVB is presented in Note 2.4 Other non-current liabilities, and on the sale of the fuel wood business in Note 5.4 Business disposals and assets and liabilities classified as held for sale to the audited Carve-out financial statements included in the F-pages to this Prospectus.
[3)] Includes EUR 1.8 million costs related to the Demerger and the Listing.

Return on capital employed, % (ROCE)

In EUR million, unless otherwise indicated	1 October 2024 to 30 September 2025	1 January to 31 December		
		2024	2023	2022
	(unaudited)	(unaudited, unless otherwise indicated)		
Capital employed, average at the end of the reporting period and the end of the comparison period	331.4	318.9	319.5	316.3
Operating profit[2]	38.7	40.5[1]	38.3[1]	44.6[1]
+ Financial income[2]	0.2	0.1[1]	0.4[1]	0.3[1]
+ Share of the result of associated companies and joint ventures[2]	1.8	3.2[1]	3.6[1]	0.7[1]
Return on capital employed[2]	**40.7**	**43.7**	**42.2**	**45.6**
Return on capital employed, %[2]	12.3	13.7	13.2	14.4

[1] Audited.
[2] Rolling 12 months.

Return on equity, % (ROE)

In EUR million, unless otherwise indicated	1 October 2024 to 30 September 2025	1 January to 31 December		
		2024	2023	2022
	(unaudited)	(unaudited, unless otherwise indicated)		
Result for the period[2]	29.1	31.5[1]	32.4[1]	35.5[1]
Invested equity (average at the end of the reporting period and the end of the comparison period)	245.4	251.8	254.6	256.8
Return on equity, % (ROE)[2]	**11.8**	**12.5**	**12.7**	**13.8**

[1] Audited.
[2] Rolling 12 months.

Net interest-bearing liabilities

In EUR million	As at 30 September		As at 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(audited)		
Borrowings	0.1	0.3	0.3	0.8	1.4
Lease liabilities	43.3	47.4	45.2	47.5	41.4
Non-current interest-bearing liabilities	**43.4**	**47.6**	**45.5**	**48.4**	**42.8**
Lease liabilities	10.9	12.1	11.7	14.7	14.4
Cash-pool liabilities to related parties	35.2	21.8	11.6	1.4	6.9
Borrowings	0.3	0.7	0.5	0.6	0.7
Current interest-bearing liabilities	**46.4**	**34.6**	**23.8**	**16.6**	**21.9**
Total interest-bearing liabilities	**89.8**	**82.2**	**69.4**	**65.0**	**64.7**
Cash-pool receivables from related parties	0.1	-	0.1	0.3	20.5
Cash and cash equivalents	1.5	0.9	1.9	2.4	2.6
Net interest-bearing liabilities	**88.3**	**81.3**	**67.4**	**62.3**	**41.7**

Gearing, %

In EUR million, unless otherwise indicated	As at 30 September		As at 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(unaudited, unless otherwise indicated)		
Net interest-bearing liabilities	88.3	81.3	67.4[1]	62.3[1]	41.7[1]
Invested equity	246.2	244.6	252.1[1]	251.4[1]	257.8[1]
Gearing, %	**35.9**	**33.2**	**26.7**	**24.8**	**16.2**

[1] Audited.

Gross capital expenditure reconciliation

In EUR million	As at 30 September 2025	2024	As at 31 December 2024	2023	2022
	(unaudited)		(unaudited, unless otherwise indicated)		
Intangible assets of acquired businesses	7.2	1.5	1.5[2]	-	17.0[2]
Property, plant and equipment of acquired businesses	0.4	0.4	0.4[2]	-	4.6[2]
Other additions to intangible assets	1.4	7.2	9.3[2]	9.7[2]	5.9[2]
Other additions to property, plant and equipment[1]	10.7	18.9	24.5	34.4	22.4
Acquisition of heavy rental equipment included in right-of-use assets	5.4	0.5	0.5	14.1	5.6
Gross capital expenditure	**25.2**	**28.4**	**36.1**	**58.2**	**55.5**

[1] The structural additions related to environmental provisions and the equipment additions related to presses and balers leased from the financing company, as well as equipment additions arising from the redemption of heavy rental equipment, have been reduced from the 2024 figure by EUR 4.2 million, the 2023 figure by EUR 2.7 million and the 2022 figure by EUR 2.9 million.
[2] Audited.

Net debt / adjusted EBITDA (rolling 12 months)

In EUR million	1 October 2024 to 30 September 2025 or as at 30 September 2025	1 January to 31 December or as at 31 December 2024	2023	2022
	(unaudited)	(unaudited, unless otherwise indicated)		
Net interest-bearing liabilities	88.3	67.4[1]	62.3[1]	41.7[1]
Adjusted EBITDA (rolling 12 months)	84.8	86.0	82.9	82.0
Net debt / adjusted EBITDA (rolling 12 months)	**1.0x**	**0.8x**	**0.8x**	**0.5x**

[1] Audited.

Equity ratio, %

In EUR million, unless otherwise indicated	As at 30 September 2025	2024	As at 31 December 2024	2023	2022
	(unaudited)		(unaudited, unless otherwise indicated)		
Invested equity	246.2	244.6	252.1[1]	251.4[1]	257.8[1]
Statement of financial position total	474.9	463.9	453.0[1]	454.5[1]	455.9[1]
Advances received[2]	-15.7	-16.1	-16.1[1]	-18.1[1]	-16.4[1]
Total	**459.2**	**447.8**	**436.9**	**436.4**	**439.6**
Equity ratio, %	53.6	54.6	57.7	57.6	58.6

[1] Audited.
[2] Advances received included in other non-current liabilities and advances received included in trade and other current payables.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Basis of compilation of the Unaudited Pro Forma Financial Information

The following unaudited pro forma combined financial information (the "**Unaudited Pro Forma Financial Information**") is presented to illustrate the effect of the Demerger on the New Lassila & Tikanoja's historical carve-out financial information, as if the Demerger had been consummated at an earlier point in time. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only.

The unaudited pro forma combined income statement for the financial year ended 31 December 2024 and the unaudited pro forma combined income statement for the nine months ended 30 September 2025 give effect to the Demerger as if it had been consummated on 1 January 2024. The unaudited pro forma combined statement of financial position as at 30 September 2025 gives effect to the Demerger as if it had been consummated on that date.

Because of its nature, the Unaudited Pro Forma Financial Information illustrates the hypothetical impact of the Demerger, had it been consummated at the date assumed in the Unaudited Pro Forma Financial Information, and, therefore, does not represent the actual results of operations or financial position of the New Lassila & Tikanoja. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of the New Lassila & Tikanoja at any future date and does not represent the results of operations or financial position of the New Lassila & Tikanoja as an independent listed company during the periods presented.

The Unaudited Pro Forma Financial Information illustrates adjustments to the historical carve-out financial information to give pro forma effect to events that are directly attributable to the Demerger and are factually supportable. The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to the Unaudited Pro Forma Financial Information. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 to the Commission Delegated Regulation (EU) 2019/980 and on a basis consistent with the IFRS Accounting Standards applied by the New Lassila & Tikanoja and consistent with the carve-out principles set forth in the notes to the audited Carve-out financial statements included in the F-pages of this Prospectus.

The pro forma financial information is unaudited.

Effects of the Demerger

As the New Lassila & Tikanoja's business operations are separated to a standalone group only at the Effective Date of the Demerger, which is planned to be 31 December 2025, the historical financial information of the New Lassila & Tikanoja has been presented in this Prospectus as carve-out financial information derived from the Demerging Company's audited consolidated financial statements and unaudited consolidated interim financial reports.

Pursuant to the Demerger Plan, all assets, debts and liabilities that relate to the Circular Economy Business Area will transfer, without liquidation, from the Demerging Company to the New Lassila & Tikanoja. The equity structure of the New Lassila & Tikanoja will be formed on the basis of the Demerger Plan. The cash-pool liabilities and other loans to the Demerging Company and the cash-pool receivables and loan receivables from the Demerging Company, which are included in the historical carve-out financial information to reflect the historical financing, are eliminated on the Effective Date of the Demerger, as the corresponding intercompany liabilities and receivables of the Demerging Company will be transferred to the New Lassila & Tikanoja. In accordance with the Demerger Plan, of the Demerging Company's current financing arrangements, the EUR 35 million and EUR 15 million term loans, the EUR 40 million revolving credit facility agreement, and the EUR 75 million Notes, which are not included in the carve-out statement of financial position as at 30 September 2025, will transfer to the New Lassila & Tikanoja in connection with the Demerger. In accordance with the Demerger Plan, a portion of the Demerging Company's cash and cash equivalents will also transfer to the New Lassila & Tikanoja in the Demerger. To illustrate the impacts of the Demerger, the Unaudited Pro Forma Financial Information includes these items related to the Demerger, which are not included in the historical carve-out financial information. The pro forma adjustments related to the Demerger also include equity-related adjustments to illustrate the contemplated equity structure of the New Lassila & Tikanoja, as set forth in the Demerger Plan, and the estimated direct costs related to the Demerger and Listing.

The pro forma adjustments presented herein are based on the New Lassila & Tikanoja's unaudited interim carve-out financial information as at and for the nine months ended 30 September 2025, the audited carve-out financial statements as at and for the financial year ended 31 December 2024, and the Demerging Company's management's estimate of the assets and liabilities to be transferred to the New Lassila & Tikanoja, as well as the costs related to the Demerger and the Listing, which the New Lassila & Tikanoja is responsible for, as set forth in the Demerger Plan.

The final amounts of assets and liabilities transferred to the New Lassila & Tikanoja in the Demerger may materially differ from the amounts presented in the Unaudited Pro Forma Financial Information, as such balances are determined based on the carrying values of the transferring assets and liabilities on the Effective Date of the Demerger. This could result in a significant variation in the future results of operations and financial position of the New Lassila & Tikanoja, compared to the Unaudited Pro Forma Financial Information.

Historical financial information

The Unaudited Pro Forma Financial Information has been derived from the New Lassila & Tikanoja's audited carve-out financial statements as at and for the financial year ended 31 December 2024 and unaudited carve-out interim financial information as at and for the nine months ended 30 September 2025, which are included in the F-pages of this Prospectus.

The New Lassila & Tikanoja's carve-out financial information is not necessarily indicative of the financial performance, financial position or cash flows of New Lassila & Tikanoja that would have occurred if it had operated as a standalone legal group of entities during the periods presented or of the New Lassila & Tikanoja's future performance. In addition, it should be noted that the costs for centrally provided shared services that have been allocated to the New Lassila & Tikanoja for the purpose of presenting the historical carve-out financial information may not necessarily be indicative of what these costs would have been if the New Lassila & Tikanoja had operated as an independent legal entity. Accordingly, additional costs may be incurred by the New Lassila & Tikanoja following the Effective Date for it to operate as an independent listed company, as well as from organising its headquarter functions.

Business acquisitions

The New Lassila & Tikanoja has acquired the following businesses during the nine months ended 30 September 2025 and during the financial year ended 31 December 2024:

- The pallet business of Stena Recycling Oy on 2 June 2025; and
- The entire share capital of PF Industriservice AB, which provides process cleaning services in Sweden, on 1 February 2024.

These business acquisitions, individually or in aggregate, would not have had a material impact on the results of operations or financial position of the New Lassila & Tikanoja, and their impacts have therefore not been adjusted in this pro forma financial information.

Other considerations

All amounts are presented in millions of euros, unless otherwise indicated. The Unaudited Pro Forma Financial Information set forth herein has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

The Unaudited Pro Forma Financial Information presented herein should be read in conjunction with the historical financial information of the New Lassila & Tikanoja presented in this Prospectus, section "*Summary of the Demerger*", the Demerger Plan, as well as other information presented in this Prospectus.

The independent auditor's assurance report concerning the compilation of the Unaudited Pro Forma Financial Information is included as Appendix B to this Prospectus.

Unaudited pro forma combined income statement and statement of financial position of the New Lassila & Tikanoja

Unaudited pro forma combined income statement for the nine months ended 30 September 2025

In EUR million, unless otherwise indicated	New Lassila & Tikanoja Carve-out (unaudited)	Pro forma adjustments: Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Net sales	**315.5**	**-**	**-**	**-**	**-**	**315.5**
Other operating income	4.0	-	-	-	-	4.0
Materials and services	-89.7	-	-	-	-	-89.7
Employee benefit expenses	-106.4	-	-	-	-	-106.4
Other operating expenses	-59.7	0.4	1.8	-	-	-57.4
Depreciation, amortisation and impairment	-33.7	-0.2	-	-	-	-34.0
Operating profit	**30.0**	**0.1**	**1.8**	**-**	**-**	**32.0**
Financial income	0.1	-	-	-	-0.1	0.1
Financial expenses	-3.8	-0.0	-	-3.2	1.7	-5.3
Exchange rate differences (net)	0.1	-	-	-	-	0.1
Financial income and expenses	**-3.6**	**-0.0**	**-**	**-3.2**	**1.6**	**-5.2**
Share of the result of associated companies and joint ventures	1.0	-	-	-	-	1.0
Result before taxes	**27.5**	**0.1**	**1.8**	**-3.2**	**1.6**	**27.8**
Income taxes	-4.9	-0.0	-0.4	0.6	-0.3	-5.0
Result for the period	**22.5**	**0.1**	**1.5**	**-2.5**	**1.3**	**22.8**
Attributable to:						
Equity holders of the New Lassila & Tikanoja						22.8
Earnings per share, EUR						**0.60**

Unaudited pro forma combined income statement for the financial year ended 31 December 2024

In EUR million, unless otherwise indicated	New Lassila & Tikanoja Carve-out (audited)	Pro forma adjustments: Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Net sales	**423.9**	**-**	**-**	**-**	**-**	**423.9**
Other operating income	2.7	-	-	-	-	2.7
Materials and services	-123.6	-	-	-	-	-123.6
Employee benefit expenses	-140.3	-	-	-	-	-140.3
Other operating expenses	-78.8	0.5	-3.3	-	-	-81.6
Depreciation, amortisation and impairment	-43.4	-0.3	-	-	-	-43.7
Operating profit	**40.5**	**0.2**	**-3.3**	**-**	**-**	**37.3**
Financial income	0.1	-	-	-	-0.1	0.1
Financial expenses	-4.9	-0.1	-	-4.2	1.7	-7.4
Exchange rate differences (net)	-0.0	-	-	-	-	-0.0
Financial income and expenses	**-4.7**	**-0.1**	**-**	**-4.2**	**1.7**	**-7.4**
Share of the result of associated companies and joint ventures	3.2	-	-	-	-	3.2
Result before taxes	**38.9**	**0.1**	**-3.3**	**-4.2**	**1.7**	**33.1**
Income taxes	-7.4	-0.0	0.7	0.8	-0.3	-6.2
Result for the period	**31.5**	**0.1**	**-2.6**	**-3.4**	**1.3**	**26.9**
Attributable to:						
Equity holders of the New Lassila & Tikanoja						26.9
Earnings per share, EUR						**0.70**

Unaudited pro forma combined statement of financial position as at 30 September 2025

In EUR million	New Lassila & Tikanoja Carve-out (unaudited)	Pro forma adjustments: Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	Equity formation (Note 5)	New Lassila & Tikanoja Pro forma
ASSETS							
Non-current assets							
Goodwill	122.5	-	-	-	-	-	122.5
Other intangible assets	37.0	-	-	-	-	-	37.0
Total intangible assets	**159.5**	**-**	**-**	**-**	**-**	**-**	**159.5**
Right-of-use assets	52.0	1.6	-	-	-	-	53.6
Other property, plant and equipment	148.9	-	-	-	-	-	148.9
Total property, plant and equipment	**200.9**	**1.6**	**-**	**-**	**-**	**-**	**202.5**
Shares in associated companies and joint ventures	18.3	-	-	-	-	-	18.3
Other shares and holdings	0.1	-	-	-	-	-	0.1
Other non-current receivables	0.4	-	-	0.1	-	-	0.4
Total other non-current assets	**18.8**	**-**	**-**	**0.1**	**-**	**-**	**18.9**
Total non-current assets	**379.2**	**1.6**	**-**	**0.1**	**-**	**-**	**380.9**
Current assets							
Inventories	11.1	-	-	-	-	-	11.1
Trade receivables	63.4	-	-	-	-	-	63.4
Contract assets	16.8	-	-	-	-	-	16.8
Income tax receivables	0.2	-	0.7	-	-	-	0.8
Cash-pool receivables from related parties	0.1	-	-	-	-0.1	-	-
Other current receivables	2.7	-	-	-	-	-	2.7
Cash and cash equivalents	1.5	-	-3.3	-	20.9	-	19.1
Total current assets	**95.7**	**-**	**-2.6**	**-**	**20.8**	**-**	**113.9**
Total assets	**474.9**	**1.6**	**-2.6**	**0.1**	**20.8**	**-**	**494.8**

In EUR million	New Lassila & Tikanoja Carve-out (unaudited)	Pro forma adjustments: Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	Equity formation (Note 5)	New Lassila & Tikanoja Pro forma
EQUITY AND LIABILITIES							
Share capital	-	-	-	-	-	0.1	0.1
Currency translation differences	-0.4	-	-	-	-	-	-0.4
Reserve for invested unrestricted equity	-	-	-	-	-	14.5	14.5
Retained earnings	-	-	-	-	-	161.6	161.6
Invested equity and retained earnings	246.7	-	-1.8	-124.7	56.0	-176.1	-
Total equity	**246.2**	**-**	**-1.8**	**-124.7**	**56.0**	**-**	**175.7**
Liabilities							
Non-current liabilities							
Deferred tax liabilities	22.0	-	-	0.0	-	-	22.0
Pension liabilities	0.1	-	-	-	-	-	0.1
Provisions	6.5	-	-	-	-	-	6.5
Borrowings	0.1	-	-	124.7	-	-	124.9
Lease liabilities	43.3	1.5	-	-	-	-	44.8
Other liabilities	6.0	-	-	-	-	-	6.0
Total non-current liabilities	**78.1**	**1.5**	**-**	**124.8**	**-**	**-**	**204.3**
Current liabilities							
Borrowings	0.3	-	-	-	-	-	0.3
Cash-pool liabilities to related parties	35.2	-	-	-	-35.2	-	-
Lease liabilities	10.9	0.1	-	-	-	-	11.1
Trade and other payables	99.0	-	-0.8	-	-	-	98.2
Income tax liabilities	5.0	-	-	-	-	-	5.0
Provisions	0.2	-	-	-	-	-	0.2
Total current liabilities	**150.6**	**0.1**	**-0.8**	**-**	**-35.2**		**114.8**
Total liabilities	**228.7**	**1.6**	**-0.8**	**124.8**	**-35.2**	**-**	**319.1**
Total invested equity and liabilities	**474.9**	**1.6**	**-2.6**	**0.1**	**20.8**	**-**	**494.8**

See accompanying notes to Unaudited Pro Forma Financial Information

Notes to the Unaudited Pro Forma Financial Information

Note 1 – Leasing

The Demerging Company has entered into a new lease agreement for the premises of the New Lassila & Tikanoja headquarters. The new lease agreement will become effective on 1 January 2026 and will be transferred to New Lassila & Tikanoja in the Demerger. The lease term under the new agreement is 5 years. For purposes of the Unaudited Pro Forma Financial Information, the new lease agreement has been presented in the unaudited pro forma combined statement of financial position as if the agreement had been entered into on 30 September 2025. In addition, the impact of the new lease agreement in the unaudited pro forma combined income statement has been presented as if the agreement had been entered into on 1 January 2024.

The unaudited pro forma combined income statement for the nine months ended 30 September 2025 has been adjusted by decreasing lease expenses presented in other operating expenses by EUR 0.4 million, as well as by increasing depreciation of right-of-use assets by EUR 0.2 million and interest expenses on lease liabilities by EUR 0.0 million. The unaudited pro forma combined income statement for the financial year ended 31 December 2024 has been adjusted by decreasing lease expenses presented in other operating expenses by EUR 0.5 million, as well as by increasing depreciation of right-of-use assets by EUR 0.3 million and interest expenses on lease liabilities by EUR 0.1 million.

In the unaudited pro forma combined statement of financial position as at 30 September 2025, a right-of-use asset and corresponding lease liabilities have been recognised for the new lease agreement. As a result, right-of-use assets have increased by EUR 1.6 million, non-current lease liabilities by EUR 1.5 million and current lease liabilities by EUR 0.1 million.

The income tax impact arising from the leasing adjustments for the nine months ended 30 September 2025 and for the financial year ended 31 December 2024 has been calculated using the corporate income tax rate applicable in Finland as at the date of this Prospectus, which is 20 per cent. These leasing adjustments have a continuing impact on the New Lassila & Tikanoja's results of operations and financial position.

Note 2 – Demerger and listing costs

The estimated demerger and listing costs to be incurred by the New Lassila & Tikanoja in connection with the Listing amount to approximately EUR 3.3 million, consisting primarily of costs related to financial reporting, information management, legal and advisory services. Of these estimated demerger and listing costs, EUR 1.8 million has been recognised in the combined carve-out income statement for the nine months ended 30 September 2025. No demerger and listing costs have been recognised in the combined carve-out income statement for the financial year ended 31 December 2024. As the unaudited pro forma combined income statement for the nine months ended 30 September 2025 and for the financial year ended 31 December 2024 illustrate as if the Demerger had occurred on 1 January 2024, the demerger and listing costs have been presented as if they had been incurred at the beginning of the year 2024.

In the unaudited pro forma combined income statement for the financial year ended 31 December 2024, EUR 3.3 million has been recognised as an increase in other operating expenses and EUR 0.7 million has been recognised as the related income tax impact. Demerger and listing costs of EUR 1.8 million recognised as other operating expenses in the carve-out combined income statement for the nine months ended 30 September 2025 are eliminated in the unaudited pro forma combined income statement for the same period, along with their related income tax effect of EUR -0.4 million.

In the unaudited pro forma combined statement of financial position as at 30 September 2025, EUR 3.3 million have been deducted from cash and cash equivalents to reflect the payment of such demerger and listing costs that the Demerging Company will invoice from the New Lassila & Tikanoja in accordance with the Demerger Plan. In the unaudited pro forma combined statement of financial position as at 30 September 2025, EUR 2.6 million net of tax has been deducted from invested equity and retained earnings and the net tax impact of EUR 0.7 million has been recognised as income tax receivables. The demerger and listing costs of EUR 0.8 million that had been included as trade payables in the combined carve-out statement of financial position as at 30 September 2025, have been deducted from the unaudited pro forma combined statement of financial position, as these items are presented as paid. This pro forma adjustment offsets the adjustments in invested equity by EUR 0.8 million.

The income tax impact from the demerger and listing costs adjustment has been calculated using the corporate income tax rate applicable in Finland as at the date of this Prospectus, which is 20 per cent. The demerger and listing costs adjustment does not have a continuing impact on the New Lassila & Tikanoja's results of operations or financial position.

Note 3 – External debt transferring from the Demerging Company to the New Lassila & Tikanoja

In accordance with the Demerger Plan, a portion of the Demerging Company's external interest-bearing debt will be transferred to the New Lassila & Tikanoja in the Demerger. In the unaudited pro forma combined statement of financial position, it has been assumed, in line with the Demerger Plan, that the Demerging Company's financing arrangements comprising EUR 75 million Notes, EUR 35 million and EUR 15 million term loans and an EUR 40 million revolving credit facility agreement will be transferred to the New Lassila & Tikanoja in the Demerger. The Notes mature in the second quarter of 2028 and bear a fixed annual coupon rate of 3.375 per cent. The EUR 35 million and EUR 15 million term loans and the EUR 40 million revolving credit facility agreement also mature in the second quarter of 2028 and include a two-year extension option under their respective agreements. For purposes of the Unaudited Pro Forma Financial Information, it has been assumed that the EUR 40 million revolving credit facility agreement remains undrawn in all periods presented.

In the unaudited pro forma combined statement of financial position, EUR 124.7 million has been recognised in non-current borrowings, comprising EUR 74.8 million of Notes and EUR 49.9 million of term loans.

The adjustments to financial expenses in the unaudited pro forma combined income statement reflect interest expenses and transaction costs calculated using the effective interest method, amounting to EUR 2.0 million on the Notes and EUR 1.1 million on the term loans for the nine months ended 30 September 2025, and to EUR 2.6 million on the Notes and EUR 1.5 million on the term loans for the financial year ended 31 December 2024. This adjustment has a continuing impact on the New Lassila & Tikanoja's financial expenses.

Arrangement fees of EUR 0.1 million related to the revolving credit facility have been capitalised under other non-current receivables in the unaudited pro forma combined statement of financial position, and the related tax impact of EUR 0.0 million has been recognised in deferred tax liabilities. Estimated expenses related to the EUR 40 million revolving credit facility, totalling EUR 0.1 million for the nine months ended 30 September 2025 and EUR 0.1 million for the financial year ended 31 December 2024, have been recognised as financial expenses in the unaudited pro forma combined income statement. This adjustment has a continuing impact on the New Lassila & Tikanoja's financial expenses.

The income tax impact of these adjustments, amounting to EUR 0.6 million for the nine months ended 30 September 2025 and EUR 0.8 million for the financial year ended 31 December 2024, has been calculated using the corporate income tax rate applicable in Finland as at the date of this Prospectus, which is 20 per cent.

Note 4 – Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties

In accordance with the Demerger Plan, the New Lassila & Tikanoja will receive a portion of the cash and cash equivalents of the Demerging Company, which according to the Demerging Company's assessment represents an amount that is appropriate for the New Lassila & Tikanoja's operations and working capital needs upon the completion of the Demerger. In the unaudited pro forma combined statement of financial position, it has been assumed that cash and cash equivalents of approximately EUR 20.9 million will be transferred to the New Lassila & Tikanoja in the Demerger. This adjustment has a continuing impact on the New Lassila & Tikanoja's results of operations and financial position.

The New Lassila & Tikanoja's historical carve-out financial information includes cash-pool liabilities of the legal entities forming the New Lassila & Tikanoja group to the Demerging Company and cash-pool receivables of the legal entities forming the New Lassila & Tikanoja group from the Demerging Company, reflecting New Lassila & Tikanoja's historical debt financing as part of the Demerging Company's group. The Demerging Company's corresponding receivables from and liabilities to the legal entities forming the New Lassila & Tikanoja group, which have not been included in the carve-out financial information, will be transferred to the New Lassila & Tikanoja in the Demerger and these items will be eliminated in the consolidation after the Demerger. Accordingly, cash-pool liabilities to related parties of EUR 35.2 million and cash-pool receivables from related parties of EUR 0.1 million included in the carve-out financial information as at 30 September 2025 have been eliminated in the unaudited pro forma combined statement of financial position against the corresponding amount of transferring receivables and liabilities. Similarly, financial income and financial expenses related to these cash-pool receivables and liabilities included in the carve-out financial information have been adjusted in the unaudited pro forma combined statements of income. The unaudited pro forma combined income statement for the nine months ended 30 September 2025 has been adjusted by decreasing financial expenses by EUR 1.7 million and financial income by EUR 0.1 million. The unaudited pro forma combined income statement for the financial year ended 31 December 2024 has been adjusted by decreasing financial expenses by EUR 1.7 million and financial income by EUR 0.1 million. The income tax impact of EUR -0.3 million for the nine months ended 30 September 2025 and EUR -0.3 million for the financial year ended 31 December 2024 has been calculated using the corporate income tax rate applicable in Finland as at the date of this Prospectus, which is 20 per cent. The adjustment for cash-pool receivables and liabilities has a continuing impact on the New Lassila & Tikanoja's results of operations and financial position.

Note 5 – Equity formation

In the unaudited pro forma combined statement of financial position as at 30 September 2025, an adjustment has been made to reflect the formation of the New Lassila & Tikanoja's equity components in accordance with the Demerger Plan. The presentation of invested equity in the combined carve-out statement of financial position as at 30 September 2025 has been adjusted in the unaudited pro forma combined statement of financial position by splitting the line item "Invested equity and retained earnings" into line items "Share capital", "Reserve for invested unrestricted equity" and "Retained earnings".

Note 6 – Pro forma earnings per share

Basic pro forma earnings per share is calculated by dividing the pro forma result for the period attributable to the equity holders of the parent company by the pro forma number of the Demerger Consideration Shares.

For purposes of calculating pro forma earnings per share, the number of the Demerger Consideration Shares has been assumed to be 38,211,724 shares for all periods presented, based on the number of outstanding shares in the Demerging Company as at the date of this Prospectus.

The following table sets forth the basic pro forma earnings per share of the New Lassila & Tikanoja for the periods indicated:

In EUR million, unless otherwise indicated	1 January to 30 September 2025 Pro forma	1 January to 31 December 2024 Pro forma
Result for the period attributable to the equity holders of the parent company	22.8	26.9
Number of Demerger Consideration Shares[1]	38,211,724	38,211,724
Earnings per share, EUR	**0.60**	**0.70**

[1] As at the date of this Prospectus.

Unaudited pro forma key figures

The following table sets forth the key figures resented on a pro forma basis as at the dates and for the periods indicated:

In EUR million, unless otherwise indicated	1 January to 30 September 2025 Pro forma	1 January to 31 December 2024 Pro forma	As at 30 September 2025 Pro forma
Net sales	315.5	423.9	
Adjusted EBITDA	64.3	86.5	
Adjusted EBITDA margin, %	20.4	20.4	
EBITDA	66.0	81.0	
EBITDA margin, %	20.9	19.1	
Adjusted EBITA	31.8	44.6	
Adjusted EBITA margin, %	10.1	10.5	
Operating profit	32.0	37.3	
Result for the period	22.8	26.9	
Earnings per share (EUR)	0.60	0.70	
Total assets			494.8
Total equity			175.7
Capital employed			356.8
Return on capital employed, % (ROCE)[1]			11.4
Return on equity, % (ROE)[1]			15.3
Net interest-bearing liabilities			161.9
Net debt / Adjusted EBITDA[1]			1.9x
Equity ratio, %			36.7
Gearing, %			92.1

[1] The pro forma figure has been calculated using the full-year 2024 pro forma figures for the result, as using the full-year results of operations better takes into account seasonality within the year.

Definitions for the unaudited pro forma key figures

The following table sets forth the definitions of the key figures presented on a pro forma basis. The components in the pro forma key figures included in the definitions below have been derived from the unaudited pro forma combined income statement for the nine months ended 30 September 2025 and for the financial year ended 31 December 2024 and from the unaudited pro forma combined statement of financial position as at 30 September 2025.

The Definitions and Reasons for the Use of Pro Forma Financial Key Indicators

Pro forma key figure	Definition	Reason for the use
Operating profit	Operating profit as presented in the income statement.	Operating profit reflects the result generated by the New Lassila & Tikanoja's business operations excluding financing, shares of the result of associated companies and joint ventures and taxes.
EBITDA	Operating profit excluding depreciation, amortisation and impairment.	Management uses EBITDA to monitor the profitability excluding non-cash capital expenses of the New Lassila & Tikanoja's core business operations.
EBITDA margin, %	EBITDA as a percentage of net sales.	Management uses EBITDA to monitor the profitability excluding non-cash capital expenses of the New Lassila & Tikanoja's core business operations.
Items affecting comparability	Significant costs arising from business restructurings or business acquisitions, gains and losses from business divestments and costs arising from the discontinuation of businesses as well as other material items outside ordinary course of business.	Items that are not directly related to the New Lassila & Tikanoja's ordinary course of business are reported separately in order to assess the performance and comparability between reporting periods of its core business operations.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA, adjusted EBITA and related margins are presented in addition to operating profit and EBITDA to reflect underlying business performance and to enhance comparability from period to period. Management believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside the ordinary course of business, which reduce comparability between periods.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of net sales.	Adjusted EBITDA, adjusted EBITA and related margins are presented in addition to operating profit and EBITDA to reflect underlying business performance and to enhance comparability from period to period. Management believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside the ordinary course of business, which reduce comparability between periods.
Adjusted EBITA	Operating profit excluding amortisation and impairment of purchase price allocations to intangible assets from acquisitions, adjusted for items affecting comparability.	Adjusted EBITA measures profitability excluding acquisition-related amortisation and impairment, reflecting underlying business performance and enhancing comparability between periods.
Adjusted EBITA margin, %	Adjusted EBITA as a percentage of net sales.	Adjusted EBITA measures profitability excluding acquisition-related amortisation and impairment, reflecting underlying business performance and enhancing comparability between periods.
Interest-bearing liabilities	Borrowings + lease liabilities	Component of capital employed, return on capital employed and net interest-bearing liabilities.
Capital employed	Equity + interest-bearing liabilities	Capital employed reflects the total investment in the New Lassila & Tikanoja's business operations and it is used to calculate return on capital employed.
Return on capital employed, % (ROCE)	(Operating profit + financial income + share of the result of associated companies and joint ventures, from the pro forma income statement for the financial year ended 31 December 2024) / (equity + interest-bearing liabilities on the unaudited pro forma combined statement of financial position as at 30 September 2025)	Return on capital employed is a profitability metric that the New Lassila & Tikanoja uses to measure how efficiently it uses invested capital to generate profits. In calculating the pro forma key figure, full year 2024 pro forma figures have been used with respect to the result, as using the full year results of operations better accounts for seasonal variation during the year.

Return on equity, % (ROE)	Pro forma result for the period for the financial year ended 31 December 2024 / equity on the unaudited pro forma combined statement of financial position as at 30 September 2025	This metric measures the New Lassila & Tikanoja's relative profitability, i.e. return on equity. In calculating the pro forma key figure, full year 2024 pro forma figures have been used with respect to the result, as using the full year results of operations better accounts for seasonal variation during the year.
Net interest-bearing liabilities	Interest-bearing liabilities - cash and cash equivalents	Net interest-bearing liabilities is a liquidity measure used by management to monitor the New Lassila & Tikanoja's ability to pay its debts in the short-term.
Net debt / Adjusted EBITDA	Pro forma net interest-bearing liabilities as at 30 September 2025 / pro forma adjusted EBITDA for the financial year ended 31 December 2024	This measure is an indicator of the New Lassila & Tikanoja's indebtedness in relation to its operational financial performance. In calculating the pro forma key figure, full year 2024 pro forma figures have been used with respect to the result, as using the full year results of operations better accounts for seasonal variation during the year.
Gearing, %	Net interest-bearing liabilities / equity	This measure is an indicator of the New Lassila & Tikanoja's indebtedness by comparing equity invested by shareholders to interest-bearing liabilities borrowed from financiers.
Equity ratio, %	Equity / (statement of financial position total - advances received)	This measure indicates the relative proportion of equity used to finance the New Lassila & Tikanoja's assets, which helps to monitor the indebtedness of the New Lassila & Tikanoja.

Reconciliation of unaudited pro forma key figures

EBITDA and adjusted EBITDA to operating profit

	1 January to 30 September 2025			
In EUR million	**New Lassila & Tikanoja Carve-out (unaudited)**	**Leasing (Note 1)**	**Demerger and listing costs (Note 2)**	**New Lassila & Tikanoja Pro forma**
Operating profit	30.0	0.1	1.8	32.0
+ Depreciation, amortisation and impairment	33.7	0.2	-	34.0
EBITDA	**63.8**	**0.4**	**1.8**	**66.0**
Items affecting comparability:				
- Expenses arising from business restructuring	1.9[1)]	-	-1.8	0.0
- Items related to the acquisition of business activities	-2.0	-	-	-2.0
- Other items	0.4	-	-	0.4
Items affecting comparability total	**0.2**	**-**	**-1.8**	**-1.6**
Adjusted EBITDA	**64.0**	**0.4**	**-**	**64.3**

[1)] Includes EUR 1.8 million in costs related to the Demerger and the Listing.

	1 January to 31 December 2024			
In EUR million	**New Lassila & Tikanoja Carve-out (unaudited unless otherwise indicated)**	**Leasing (Note 1)**	**Demerger and listing costs (Note 2)**	**New Lassila & Tikanoja Pro forma**
Operating profit	40.5[1)]	0.2	-3.3	37.3
+ Depreciation, amortisation and impairment	43.4[1)]	0.3	-	43.7
EBITDA	**83.8**	**0.5**	**-3.3**	**81.0**
Items affecting comparability:				
- Expenses arising from business restructuring	0.8	-	3.3	4.1
- Items related to the acquisition of business activities	1.3	-	-	1.3
Items affecting comparability total	**2.2**	**-**	**3.3**	**5.4**
Adjusted EBITDA	**86.0**	**0.5**	**-**	**86.5**

[1)] Audited.

Adjusted EBITA to operating profit

In EUR million	New Lassila & Tikanoja Carve-out (unaudited)	Leasing (Note 1)	Demerger and listing costs (Note2)	New Lassila & Tikanoja Pro forma
	1 January to 30 September 2025			
Operating profit	30.0	0.1	1.8	32.0
+ Amortisation of purchase price allocations to intangible assets from acquisitions	1.4	-	-	1.4
Items affecting comparability:				
- Expenses arising from business restructuring	1.9[1)]	-	-1.8	0.0
- Items related to the acquisition of business activities	-2.0	-	-	-2.0
- Other items	0.4	-	-	0.4
Items affecting comparability total	**0.2**	**-**	**-1.8**	**-1.6**
Adjusted EBITA	**31.6**	**0.1**	**-**	**31.8**

[1)] Includes EUR 1.8 million in costs related to the Demerger and the Listing.

In EUR million	New Lassila & Tikanoja Carve-out (unaudited unless otherwise indicated)	Leasing (Note 1)	Demerger and listing costs (Note 2)	New Lassila & Tikanoja Pro forma
	1 January to 31 December 2024			
Operating profit	40.5[1)]	0.2	-3.3	37.3
+ Amortisation of purchase price allocations to intangible assets from acquisitions	1.8	-	-	1.8
Items affecting comparability:				
- Expenses arising from business restructuring	0.8	-	3.3	4.1
- Items related to the acquisition of business activities	1.3	-	-	1.3
Items affecting comparability total	**2.2**	**-**	**3.3**	**5.4**
Adjusted EBITA	**44.4**	**0.2**	**-**	**44.6**

[1)] Audited.

Return on capital employed, % (ROCE)

In EUR million, unless otherwise indicated	New Lassila & Tikanoja Carve-out (unaudited unless otherwise indicated)	Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Equity as at 30 September 2025	246.2	-	-1.8	-124.7	56.0	175.7
Interest-bearing liabilities as at 30 September 2025	89.8	1.6	-	124.7	-35.2	181.0
Capital employed as at 30 September 2025	**336.1**	**1.6**	**-1.8**	**0.0**	**20.8**	**356.8**
Operating profit 1 January to 31 December 2024	40.5[1)]	0.2	-3.3	-	-	37.3
+ Financial income 1 January to 31 December 2024	0.1[1)]	-	-	-	-0.1	0.1
+ Share of the result of associated companies and joint ventures 1 January to 31 December 2024	3.2[1)]	-	-	-	-	3.2
Return on capital employed 1 January to 31 December 2024	**43.7**	**0.2**	**-3.3**	**-**	**-0.1**	**40.6**
Return on capital employed, %	**13.0**					**11.4**

1) Audited.

Return on equity, % (ROE)

In EUR million, unless otherwise indicated	New Lassila & Tikanoja Carve-out (unaudited unless otherwise indicated)	Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Result for the period 1 January to 31 December 2024	31.5[1)]	0.1	-2.6	-3.4	1.3	26.9
Equity as at 30 September 2025	246.2	-	-1.8	-124.7	56.0	175.7
Return on equity, % (ROE)						**15.3**

1) Audited.

Net interest-bearing liabilities

In EUR million	As at 30 September 2025 New Lassila & Tikanoja Carve-out (unaudited)	Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Borrowings	0.1	-	-	124.7	-	124.9
Lease liabilities	43.3	1.5	-	-	-	44.8
Non-current interest-bearing liabilities	**43.4**	**1.5**	**-**	**124.7**	**-**	**169.6**
Lease liabilities	10.9	0.1	-	-	-	11.1
Cash-pool liabilities to related parties	35.2	-	-	-	-35.2	-
Borrowings	0.3	-	-	-	-	0.3
Current interest-bearing liabilities	**46.4**	**0.1**	**-**	**-**	**-35.2**	**11.4**
Total interest-bearing liabilities	**89.8**	**1.6**	**-**	**124.7**	**-35.2**	**181.0**
Cash-pool receivables from related parties	0.1	-	-	-	-0.1	-
Cash and cash equivalents	1.5	-	-3.3	-	20.9	19.1
Net interest-bearing liabilities	**88.3**	**1.6**	**3.3**	**124.7**	**-56.0**	**161.9**

Gearing, %

In EUR million, unless otherwise indicated	As at 30 September 2025 New Lassila & Tikanoja Carve-out (unaudited)	Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Net interest-bearing liabilities	88.3	1.6	3.3	124.7	-56.0	161.9
Equity	246.2	-	-1.8	-124.7	56.0	175.7
Gearing, %	**35.9**					**92.1**

Net debt / Adjusted EBITDA

In EUR million, unless otherwise indicated	New Lassila & Tikanoja Carve-out (unaudited)	Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Net interest-bearing liabilities as at 30 September 2025	88.3	1.6	3.3	124.7	-56.0	161.9
Adjusted EBITDA 1 January to 31 December 2024	86.0	0.5	-	-	-	86.5
Net debt / adjusted EBITDA	**1.0x**					**1.9x**

Equity ratio, %

	As at 30 September 2025					
In EUR million, unless otherwise indicated	New Lassila & Tikanoja Carve-out (unaudited)	Leasing (Note 1)	Demerger and listing costs (Note 2)	External debt transferring from the Demerging Company to the New Lassila & Tikanoja (Note 3)	Cash and cash equivalents transferring in the Demerger and elimination of receivables from and liabilities to related parties (Note 4)	New Lassila & Tikanoja Pro forma
Equity	246.2	-	-1.8	-124.7	56.0	175.7
Statement of financial position total	474.9	1.6	-2.6	0.1	20.8	494.8
Advances received	-15.7	-	-	-	-	-15.7
Total	**459.2**	**1.6**	**-2.6**	**0.1**	**20.8**	**479.2**
Equity ratio, %	53.6					36.7

MARKET AND INDUSTRY REVIEW

In this section, the Demerging Company makes certain statements regarding markets in which the New Lassila & Tikanoja operates, expected growth in such markets and its competitive and market position. The information is based on the Demerging Company's management's estimates and/or analyses relying on multiple sources, including Eurostat, Statistics Finland, Statistics Sweden, and OECD. See "Certain Matters—Market and Industry Information".

Introduction to the New Lassila & Tikanoja's market

The operations of the New Lassila & Tikanoja's focus on different markets: waste management and recycling, hazardous waste and remediation and industrial services and water treatment.

1. In waste management and recycling, the New Lassila & Tikanoja offers comprehensive waste management and recycling solutions to, among others, customers in the retail, industry and construction industries as well as the public sector. The offering includes waste collection, collection equipment, waste sorting, pre-processing and treatment with a strong commitment to material recycling and reuse. In addition, the New Lassila & Tikanoja provides expert services as well as event and portable sanitation and toilet services for example to concerts and events.

2. Hazardous waste and remediation covers the collection and treatment of hazardous waste, as well as directing it to reuse and recycling. The remediation business involves the cleaning and restoration of contaminated land areas, the treatment of industrial waste and side streams and ensuring their recycling or safe final disposal. The remediation business also involves the construction, closure and operation of disposal sites.

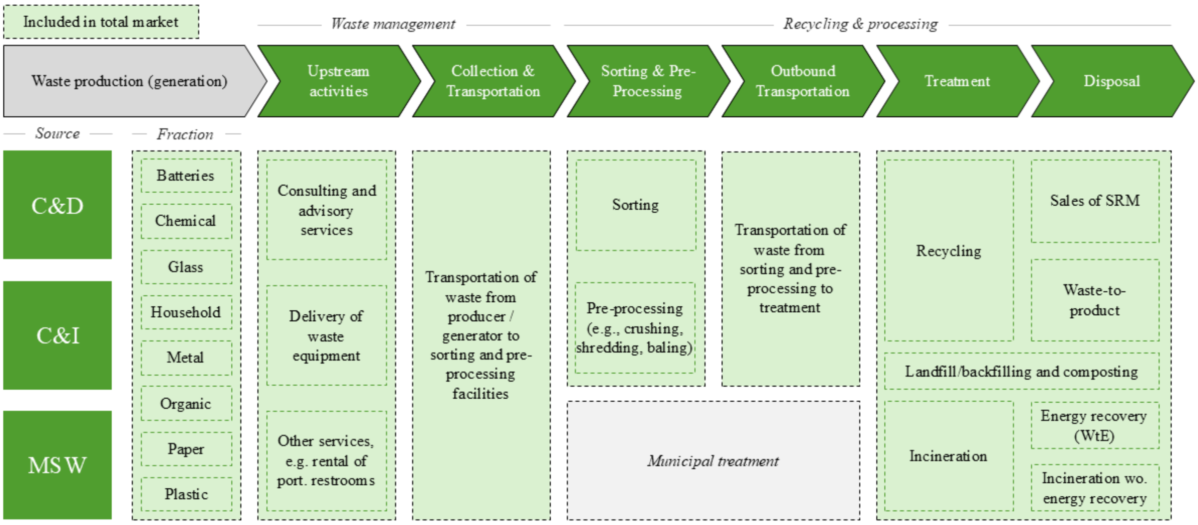
3. Industrial services and water treatment encompasses both the cleaning of industrial and power plants' production equipment as well as sewer maintenance services and mapping services for industrial, municipal, private and commercial operators. Process cleaning includes, among others, high-pressure cleaning, sandblasting and blast cleaning, high-power vacuuming, industrial support services, shutdown- and annual maintenance services as well as other process cleaning services that are critical operations for ensuring process continuity, safety and plant productivity. The New Lassila & Tikanoja offers comprehensive sewer maintenance services for opening, flushing, imaging, investigating and emptying sewers, wells and separators. In addition, it offers solutions for water purification and remediation of contamination.

The New Lassila & Tikanoja's business promotes society's sustainable development by facilitating material recovery and recycling and supporting preservation of biodiversity. At the same time, the New Lassila & Tikanoja's ability to offer comprehensive service packages differentiates it from competitors and creates cross-selling opportunities. Knowledge of the entire value chain enables close customer cooperation, which is supported by reporting to customers that complies with the EU Sustainability Reporting Standards (ESRS) and is in accordance with the EU Taxonomy Regulation ((EU) 2020/852). This enables the full utilisation of the value chain's margin potential and creates the conditions for efficient utilisation of operations.

Industry dynamics and competitive structure

Waste management and recycling

Figure 1: Waste management and recycling value chain[3]



The New Lassila & Tikanoja offers services in the Finnish waste management and recycling market, and its business is centred around the commercial market, with key segments being retail, logistics, construction and industry.

Hazardous waste and remediation

Hazardous waste management and remediation can be divided into four different sub-segments: (1) hazardous waste collection and treatment, (2) industrial side stream management, (3) contaminated soil remediation and (4) waste area construction and operation.

1. Hazardous waste and its collection and treatment dynamics differ from conventional waste treatment as it involves more regulation and restrictions, but on the other hand, less competition. Hazardous waste is mainly generated as a by-product of the activities of industrial and commercial companies. In terms of volume, less waste is generated than conventional waste, but its price in relation to volume is higher, due to, among other things, more demanding treatment. Through specialised treatment processes, materials from hazardous waste can be directed to reuse and recycling. Hazardous waste that cannot be recycled is disposed of by incineration or final disposal.

2. Industrial side stream management consists of processing and recycling industrial side streams, and, when necessary, directing them to final disposal. Industrial and construction side streams can be reused as a substitute for virgin material. Materials that cannot be utilised are processed ready for final disposal.

3. Contaminated soil remediation includes restoration of land areas to be usable for future use, such as for residential construction. Possible examples of areas subject to remediation include, for example, former industrial areas, shooting ranges and oil spill areas. The remediation value chain in contaminated soil treatment and remediation can be divided into four different stages: (1) planning and permitting, (2) demolition and material recovery, (3) material flow management and soil treatment and (4) material recovery or final disposal.

4. Waste area construction and operation includes comprehensive management during the lifecycle of the waste area, from construction, management and operation to closure and remediation. The segment consists of waste areas built for customers and their operation as well as operation of own treatment centres and final disposal areas.

The value chains of hazardous waste and remediation are strongly linked to conventional waste management, as the direction of conventional and hazardous waste streams can be optimised between business lines, facilities and final disposal possibilities. Different waste categories and services that penetrate the entire value chain are a clear competitive

[3] Company's assessment.

advantage, as more comprehensive solutions can be produced to customers. The New Lassila & Tikanoja offers services in the Finnish hazardous waste and remediation market.

Industrial services and water treatment

Industrial services and water treatment are divided into (1) process cleaning and (2) sewer maintenance services and water treatment.

1. Process cleaning covers continuous cleaning of industrial properties and equipment, such as cleaning of production lines, heavy equipment, industrial tanks and pipes. Process cleaning may also include planned maintenance shutdowns. Services include, among others, high-pressure cleaning, high-power vacuuming, ultra-high-pressure cleaning, sandblasting, blast cleaning and hydrodemolition. Services are offered in, among others, the chemical, forest, metal, and energy industry.

2. Sewer maintenance services consist of sewer opening, flushing, imaging and inspection services of sewers and pipelines, as well as emptying of wells and separators. Sewer maintenance services are offered to a clearly broader customer base in industry, municipalities as well as to other commercial properties and private customers.

The New Lassila & Tikanoja offers services in the Finnish and Swedish industrial services and water treatment markets.

Market fragmentation

Waste management and recycling

The service market for conventional waste collection and treatment is divided among a few strong market leaders and a large number of local operators. The ten largest operators control roughly about 50 per cent of Finland's conventional waste collection and treatment market, with the New Lassila & Tikanoja's share being about 20 per cent in 2024.[4] The large number of operators enables the New Lassila & Tikanoja to grow inorganically, for instance, in recycling, material processing and reuse.

Hazardous waste and remediation

The hazardous waste market in Finland is clearly more concentrated compared to the conventional waste market, as hazardous waste collection and especially its treatment places significantly higher requirements on the operator and requires special expertise and special permits. In hazardous waste, market share growth is almost exclusively organic and is based on the development of new solutions.

The remediation market in Finland is developing, and different operators are often specialised in a specific part of the remediation value chain. Individual parts of the value chain are often linked to the companies' core competencies. Part of the market consists of customers' own in-house operations, such as the operation of customers' own disposal areas. In the Finnish remediation market, the New Lassila & Tikanoja and NG Group are capable of delivering comprehensive and demanding solutions to heavily contaminated areas.

Industrial services and water treatment

In Finland, the five largest operators control approximately 75 per cent of the market in industrial process cleaning services and approximately 55 per cent of the market in sewer maintenance services. In Sweden, the corresponding shares are approximately 55 per cent and 65 per cent.[5] Despite the strongly consolidated market, acquisitions remain a realistic option due to strong synergies and economies of scale. Expansion is also possible in the corporate sewer maintenance services market and urban areas. The New Lassila & Tikanoja is not actively engaged in the service market for small properties.

Market entry barriers and economies of scale

The New Lassila & Tikanoja's network and operations covering all of Finland create a competitive advantage. Large customers require nationwide service that is consistent and responsible at all locations. Sufficient coverage and geographical scope of operations are critical factors in cost-effective production of services and winning large tenders, where quality and price are emphasised. Achieving the required network of sites, logistics management and local presence requires years of work.

[4] Source: Companies' financial statements.
[5] Source: Companies' financial statements; Management's assessment of the financial statements.

1. The market requires significant capital investments: Producing full value chain services requires substantial investments in specialised equipment, treatment plants, sorting centres and advanced recycling technologies. These assets are long-term and require clear environmental permits, which makes them financially and administratively demanding investments.

2. Strong technical and regulatory expertise in the operating environment: Producing waste-related services requires deep understanding of the technology used, strict compliance with environmental regulations and development of new treatment methods and services. The New Lassila & Tikanoja is able to offer customised and industry-specific solutions that are based on decades of experience and that are challenging for new market entrants to replicate. As ESG reporting requirements increase, customers need increasingly more external support to meet these requirements, which supports the New Lassila & Tikanoja's business.

3. Material recycling and reuse: Achieving higher recycling rates is becoming continuously more challenging. This requires significant investments in new technologies. The requirements to convert waste into raw materials or products are increasing, but economically viable implementation requires the management of a sufficiently large amount of waste, which in turn requires significant scale. In these areas, the New Lassila & Tikanoja is exceptionally well positioned.[6]

4. Established customer relationships and a well-known brand: Long-term cooperation relationships with Finland's largest industrial, commercial and municipal customers are a key competitive advantage. These relationships have been created over a long period of time with high-quality and reliable service production. Changing suppliers can be costly and increase operational risks, as such a change may lead to delays in waste management, production disruptions and violations of regulatory compliance.

Market trends and growth drivers

Waste management and recycling

In waste management and recycling, four significant trends can be observed that are changing the market:

1. Waste recycling and reuse: Societal pressure for circular economy solutions and higher recycling rates is growing. At the same time, the New Lassila & Tikanoja assesses that demand for waste-derived materials and products will increase. Raising recycling rates and the growing waste-to-material market require understanding of customers' materials and needs, as well as investments in efficient collection, sorting and treatment.

2. Stricter regulation and reporting obligations: According to the New Lassila & Tikanoja's assessment, regulation will increasingly support material reuse and recycling in the future. Reporting responsibilities, recycling targets and blending obligations will grow, placing increased requirements on organisations to use secondary raw materials and to monitor waste lifecycles.

3. Municipalisation: The responsibility for organising residential waste management will transfer more strongly to municipalities, which, according to management estimates, theoretically reduces the size of the free market's share of Finland's total market by approximately 6 percentage points.[7] The impact of the change is mitigated by the fact that municipalities procuring waste management collection services from private operators. Large operators, in particular, are in a strong position in tenders as they have the equipment and personnel resources required by contracts, but the overall impact of municipalisation is nevertheless negative for the New Lassila & Tikanoja. According to the New Lassila & Tikanoja's assessment, municipalisation will simultaneously drive industry consolidation as price competition intensifies in municipal contracts.

4. Increasing utilisation of more developed technologies in waste management: Achieving recycling targets and the shift of recycling to more challenging waste fractions requires investments in more developed technologies and processes.

Market growth, in turn, is supported by:

1. Growing economic activity, which correlates strongly with waste volume.

[6] Source: Norstat end user survey (April 2025).
[7] Source: Ministry of the Environment: EU waste regulation package (https://ym.fi/jatesaadospaketti); The Association of Finnish Cities and Municipalities: Waste management website (https://www.kuntaliitto.fi/yhdyskunnat-ja-ymparisto/tekniikka/jatehuolto); KIVO: National studies on mixed waste composition 2020, 2023, 2024 (https://www.kivo.fi/toiminnan-tueksi/koostumustietopankki); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin__jate/statfin_jate_pxt_12cv.px).

2. Growing environmental concern, which shapes consumer and business customer behaviour. This particularly reduces the generation of municipal waste and packaging material waste and directs consumption more towards reuse.

3. Increasing regulation of waste import and export. The EU's goal is to increase raw material self-sufficiency through the circular economy and create efficient EU internal markets for recyclable raw materials. Regulation enables the international direction of material flows to more advanced and efficient treatment plants.

4. New technologies enable more efficient and environmentally friendly waste recycling. They offer solutions for more efficient sorting, treatment of more challenging fractions, fraction-specific targeted recycling solutions (such as specific plastic fractions) and increasing the value of waste material.

5. Regulatory changes at both national and EU level favour more sustainable ways to treat generated waste. Regulation means increasing recycling instead of incineration and final disposal. Companies' responsibility for material recycling is growing, in addition to which penalty fees and the expansion of the waste tax base are driving recycling volume growth.

    a. The European Commission has set ambitious targets for municipal and packaging waste recycling. The municipal waste recycling rate should rise from the current 50 per cent to 65 per cent by 2035. The Commission has initiated infringement proceedings against Finland for falling short of current targets and published an early warning report for Finland on achieving future targets. Achieving the targets requires reducing waste incineration and promoting recycling through policy measures and steering mechanisms.

    b. The European Commission's new work programme emphasises the growing importance of the circular economy. Decarbonisation and placing the circular economy at the heart of economic policy is the only way to ensure the EU's strategic position. As part of the Clean Industrial Deal programme, the Commission has initiated the preparation of a Circular Economy Regulation, which aims to raise the circular material use rate (CMUR) to 24 per cent by 2030. Finland's current circular material use rate is 2.4 per cent.[8]

In addition to reporting obligations, the mentioned expansion of producer responsibilities to new products would increase the amount of waste requiring professional recycling or reuse, which, in turn, would increase logistics and other services linked to recycling and reuse. Producer responsibility may extend to, for example, small-scale construction waste, furniture, agricultural waste and medicines.

Hazardous waste and remediation

General drivers: increasing construction activity as market outlook improves, growing construction need in growth centres caused by population growth, increasing economic activity, and increased utilisation of side streams. The possible increase in classification of waste as hazardous waste may also affect volume development. Six factors serve as drivers for the hazardous waste and remediation markets:

1. Growing economic activity and consumption, which correlates with waste volume.

2. New technologies enable more efficient and environmentally friendly waste recycling instead of disposal.

3. Circular economy materials as part of construction projects: Circular economy initiatives in the construction industry promote the use of recycled materials. For instance, industrial side streams can be utilised as construction material, for example in field structures, noise barriers or as binding agents in construction products.

4. Strong regulation: Regulation aims to prevent illegal waste disposal in construction projects related to both lack of recycling and waste disposal in nature outside the official waste management system.

5. Construction project backlog: Construction is an exceptionally cyclical market and the downturn in the sector over the past few years has generated a project backlog. This pent-up demand is expected to recover over the coming years, creating a significant upward cycle across Europe.

6. Increasing prevalence of soil remediation: Regulation drives the remediation of all land areas contaminated from their natural state towards their original state, whereby companies increasingly include land area remediation in their long-term objectives and reserve capital to be allocated to remediation.

[8] Source: European Commission: Clean Industrial Deal (https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal_en).

Examples of regulatory projects include[9]:

1. The EU's goal to reduce waste final disposal to landfill areas.

2. The EU's goal to stop biodiversity loss and aspiration to restore contaminated natural areas to their previous state by 2050.

3. In Finland, the expansion of the waste tax base and the requirement for separate collection of construction waste encourage waste sorting at construction sites and waste recycling, thereby minimising unusable waste ending up in landfill areas.

Legislative changes aim to channel investments to increase the construction industry's recycling rate as well as to projects that promote natural state recovery from decommissioned areas. The changes aim to simultaneously generate new innovations and business opportunities, and efforts are being made to create favourable financing conditions for them.

Industrial services and water treatment

Industrial cleaning and water treatment are driven by industrial capacity in industrial use and the development of the number of properties in industrial, commercial and residential use as well as the maintenance backlog of the sewer system. For example, industrial investments and industrial infrastructure development projects have a positive impact on the market. The process cleaning market is very stable, and its underlying drivers are growing the market in real terms by approximately one percentage point per annum. In addition, the growth of water treatment is driven by, among other things, the tightening regulation of water treatment, which requires more thorough removal of environmentally harmful substances.

Market size and growth

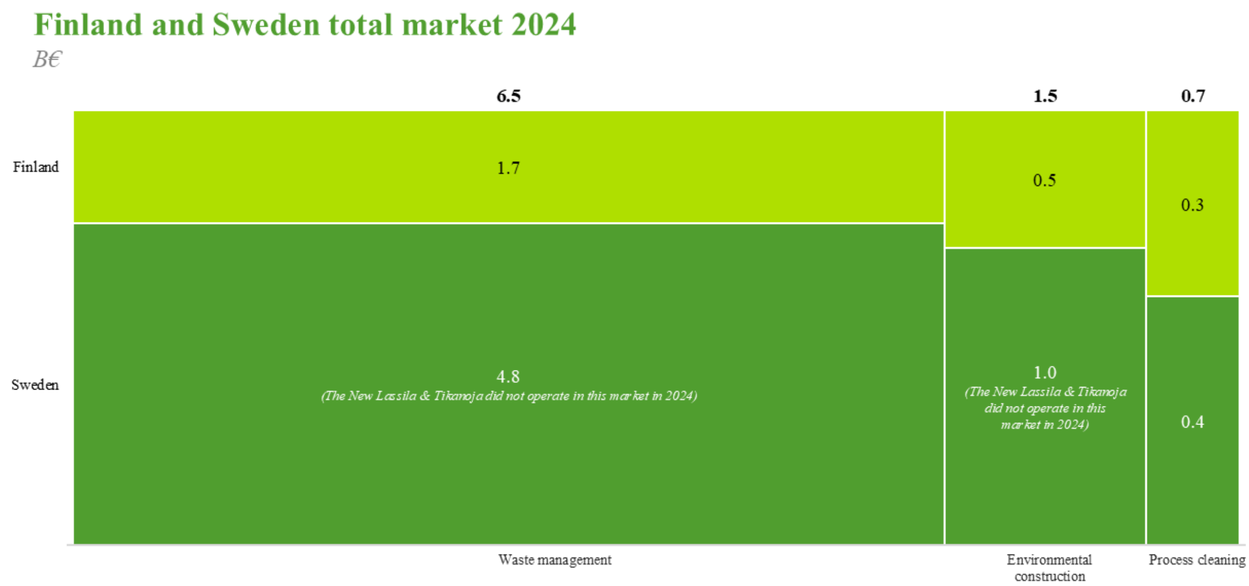
The New Lassila & Tikanoja operates in the circular economy market in Finland and Sweden, which currently consists of waste management and recycling, hazardous waste and remediation and industrial services and water treatment. As at the date of this Prospectus, the New Lassila & Tikanoja operates in all three of the aforementioned markets in Finland and only in the industrial services and water treatment market in Sweden.

The figure below illustrates market size in 2024. In 2024, the circular economy market size has been estimated to be a total of EUR 8.7 billion, of which Finland's share is EUR 2.5 billion and Sweden's EUR 6.2 billion.[10] Between 2019 and 2024, the circular economy market as a whole experienced an average annual growth rate ("**CAGR**") of 6 per cent, and for the years 2024–2029, the market is projected to grow by 3.2 per cent per annum, reaching EUR 10.3 billion in size.

[9] Source: European Commission: Circular Economy - Principles for Buildings Design (https://ec.europa.eu/docsroom/documents/39984); Ministry of the Environment: EU waste regulation package (https://ym.fi/jatesaadospaketti); European Environment Agency: Early warning assessment related to the 2025 targets for municipal waste and packaging waste (https://www.eea.europa.eu/en/analysis/publications/many-eu-member-states/early-warning-assessment-related-to-the-2025-targets-for-municipal-waste-and-packaging-waste).

[10] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wastrt/default/table?lang=en&category=env.env_was.env_wasgt); Management's price assessments; Management's assessment of the financial statements, Companies' financial statements.

Figure 2: Total market size, Finland and Sweden (billion euros, 2024)[11]



Waste management and recycling

The combined waste management and recycling market in Finland and Sweden was estimated at approximately EUR 6.5 billion in 2024, with Finland accounting for EUR 1.7 billion and Sweden for EUR 4.8 billion.[12]

Finland's waste management and recycling market has experienced a growth rate of approximately 2.1 per cent per annum between 2019 and 2024, increasing in value from EUR 1.5 billion to EUR 1.7 billion over this period. The pace of growth is projected to accelerate in the coming years, with the average growth rate expected to be around 2.8 per cent per annum. Consequently, the market size is estimated to reach approximately EUR 1.9 billion in 2029.[13]

[11] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wastrt/default/table?lang=en&category=env.env_was.env_wasgt); Management's price assessments; Management's assessment of the financial statements; Companies' financial statements.
[12] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Management's price assessments; Management's assessment of the financial statements; Companies' financial statements.
[13] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

Figure 3: Finland's waste management and recycling market size and growth (2019–2029E, billion euros)[14]

Sweden's waste management and recycling market has grown significantly faster than the Finnish market over the past five years from EUR 3.4 billion in 2019 to EUR 4.8 billion in 2024, corresponding to an average growth rate of 7.1 per cent per annum. Growth is projected to stabilise at 3.6 per cent in 2024–2029, which would bring the market size to approximately EUR 5.7 billion in 2029.[15]

Figure 4: Sweden's waste management and recycling market (2019–2029E, billion euros)[16]

Waste management

The combined size of the waste management market in Finland and Sweden was approximately EUR 2.5 billion in total in 2024, having grown at an average growth rate of 7.5 per cent per annum since 2019. The growth rate is assumed to

[14] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.
[15] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.
[16] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

average approximately 3 per cent in 2024–2029, which would bring the waste management market size to approximately EUR 3.0 billion in total in 2029.[17]

Finland's share of this market was approximately EUR 0.6 billion in 2019 and approximately EUR 0.7 billion in 2024. The average annual growth rate over this period has thus been approximately 3.6 per cent and is forecast to be approximately 2.8 per cent from 2024 to 2029, which would lead to a market of over EUR 0.8 billion in 2029.[18]

In Sweden, the size of the waste management market was approximately EUR 1.3 billion in 2019, and it grew at an average rate of 7.5 per cent per annum until 2024, reaching EUR 1.8 billion in size. Growth is projected to average 3.4 per cent per annum over the next five years, bringing the waste management market size to EUR 2.2 billion.[19]

Recycling

The recycling market has grown at an average annual rate of approximately 6 per cent from 2019 to 2024, with the market growing from EUR 3.0 billion to EUR 3.9 billion in total in Finland and Sweden. The growth rate is expected to continue at over 3 per cent per annum, reaching EUR 4.6 billion by 2029.[20]

In 2019, Finland's share of the market was EUR 0.9 billion and it grew to EUR 1.0 billion by 2024. In 2029, the market is forecast to be approximately EUR 1.1 billion. From 2019 to 2024, the market grew at an average annual rate of about 1.1 per cent and is projected to continue growing at a rate of 2.8 per cent per annum until 2029.[21]

In 2019, Sweden's recycling market was EUR 2.1 billion, from which it grew at an average rate of 6.9 per cent per annum through 2024, reaching a market size of EUR 2.9 billion. The market is projected to grow at an average rate of 3.6 per cent per annum until 2029, reaching a market size of EUR 3.5 billion.[22]

Hazardous waste and remediation

Hazardous waste market

The total combined size of the hazardous waste market in Finland and Sweden was approximately EUR 0.7 billion in 2024. The market size was approximately EUR 0.5 billion in 2019 and is projected to grow to EUR 0.8 billion by 2029.[23]

In Finland, the hazardous waste market has declined on average by approximately 0.1 per cent per annum from 2019 to 2024, but the development is expected to turn to an average annual growth of 3.6 per cent from 2024 to 2029 due to increasing regulation and stricter requirements. Measured with an accuracy of EUR 100 million, the hazardous waste market in Finland was EUR 0.2 billion in 2019, 2024 and is estimated to be the same in 2029.[24]

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[17] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px), OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

[18] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

[19] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

[20] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

[21] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

[22] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessment; Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/).

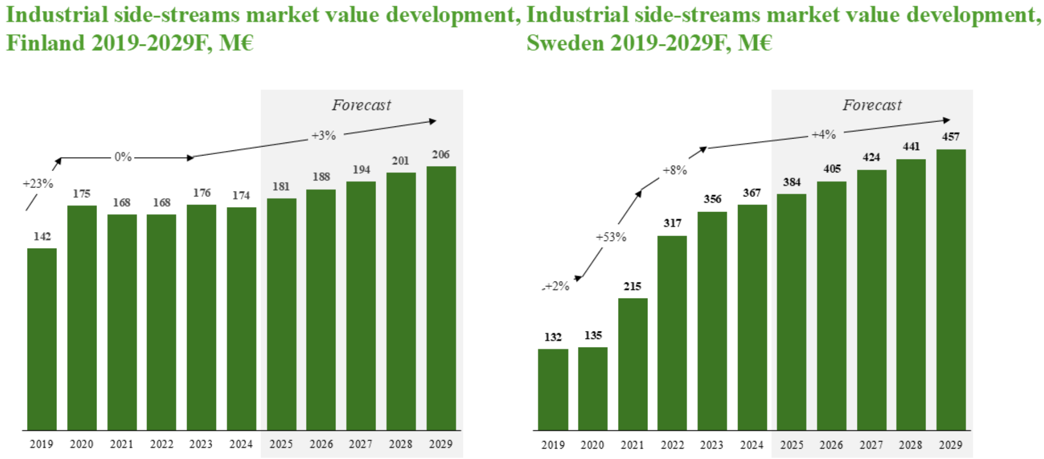
[23] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments; Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/).

[24] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.

In Sweden, the hazardous waste market grew on average 11.2 per cent per annum from 2019 to 2024, growing from EUR 0.3 billion to EUR 0.5 billion. Growth is projected to stabilise to an average annual rate of 3.4 per cent between 2024–2029, growing the market size to EUR 0.6 billion in 2029.[25]

Industrial side streams

Figure 5: Industrial side streams market development, Finland and Sweden (2019–2029E, million euros)[26]



The industrial side streams market in Finland and Sweden had a size of approximately EUR 275 million in total in 2019, from which it has experienced strong growth, reaching approximately EUR 540 million in 2024. By 2029, the market is projected to grow to approximately EUR 670 million, i.e., at an average annual rate of approximately 3–4 per cent.[27]

Finland's share of the industrial side streams market was approximately EUR 140 million in 2019, and it grew on average 4 per cent per annum, reaching EUR 175 million in 2024. The market is forecast to grow at an average annual rate of approximately 3 per cent through 2029, reaching EUR 205 million in total.[28]

In Sweden, the industrial side streams market, supported by large infrastructure projects, has grown from approximately EUR 130 million in 2019 to approximately EUR 370 million in 2024, corresponding to an average annual growth of approximately 23 per cent. In the future, the market is forecast to grow at an average rate of 4 per cent per annum, reaching approximately EUR 460 million by 2029.[29]

Contaminated soil remediation

The value of contaminated soil remediation projects in Finland and Sweden was slightly under EUR 200 million in total in 2024, whereas it was approximately EUR 210 million in 2019. The decline has been especially pronounced in Finland, where both the impact of COVID-19 and the construction downturn that commenced in 2022 have substantially

[25] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's price assessments.
[26] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Management's price assessments.
[27] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Management's price assessments.
[28] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Management's price assessments.
[29] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Management's price assessments.

diminished the number of construction and infrastructure projects. By 2029, the market is projected to resume growth and reach an estimated value of EUR 250 million, with an anticipated average annual growth rate of about 5 per cent.[30]

In Finland, the contaminated soil remediation market size was approximately EUR 155 million in 2019, from which it has experienced an average annual decline of approximately 11 per cent, reaching EUR 88 million in 2024. However, growth is expected to be at approximately 5 per cent per annum on average through 2029 and the market is expected to grow to EUR 112 million.[31]

Figure 6: Contaminated soil remediation market, Finland (2019–2029E, million euros)[32]

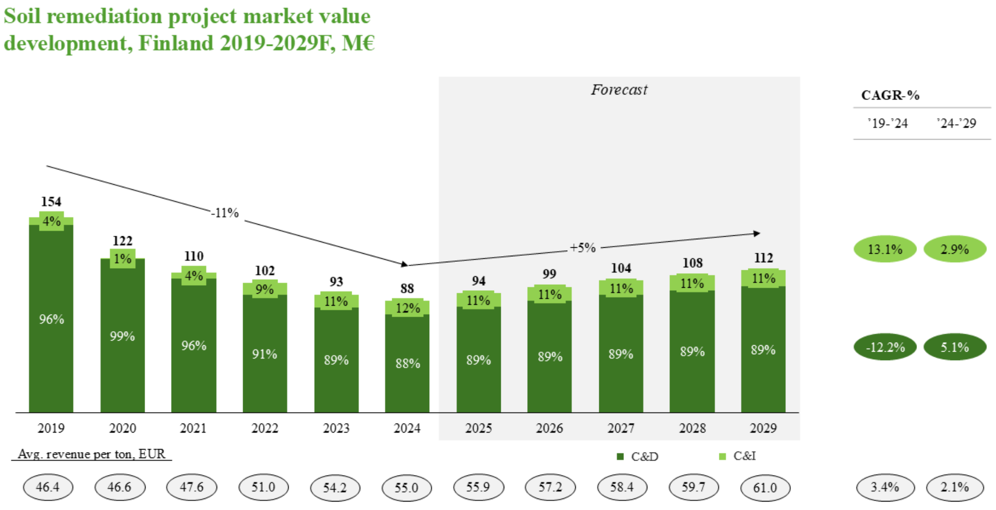
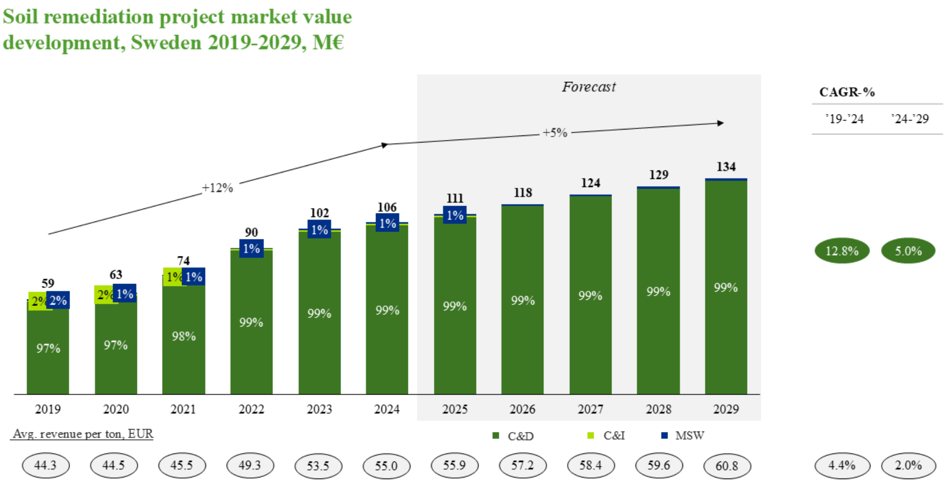


Figure 7: Contaminated soil remediation market, Sweden (2019–2029E, million euros)[33]



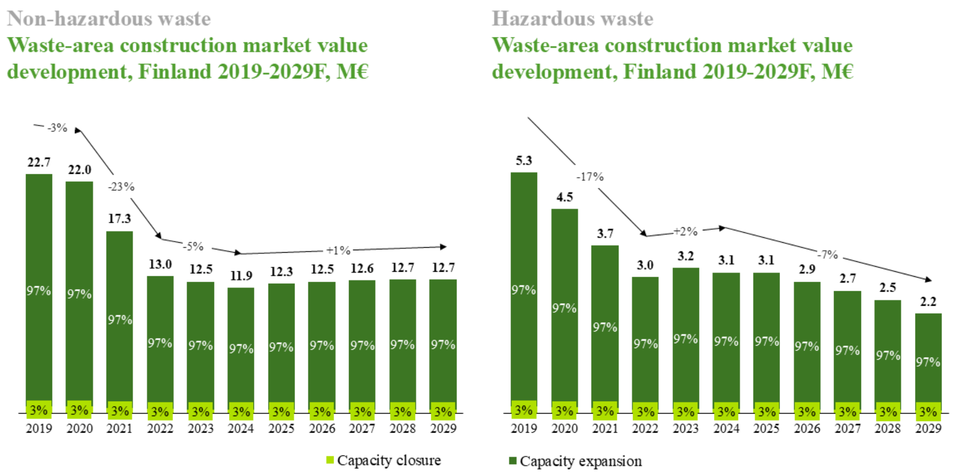
[30] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Management's price assessments.
[31] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Management's price assessments.
[32] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Management's price assessments.
[33] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/); Management's price assessments.

Waste area construction

The size of the waste area construction market was approximately EUR 40 million in total in Finland and Sweden in 2019, from which it has grown to approximately EUR 45 million in 2024 and is believed to contract slightly by 2029, i.e., to approximately EUR 43 million.[34]

Finland's share of the waste area construction market was EUR 28 million in 2019, from which it fell by an average of 12 per cent per annum to EUR 15 million in 2024 and the market is expected to remain at the same level until 2029. In Sweden, the waste area construction market grew on average by 18 per cent per annum in 2019–2024 from EUR 13 million to approximately EUR 30 million. Sweden's market is forecast to contract at an average annual rate of approximately 1 per cent until 2029 to EUR 28 million in total.[35]

Figure 8: Waste area construction development, Finland (2019–2029E, million euros)[36]

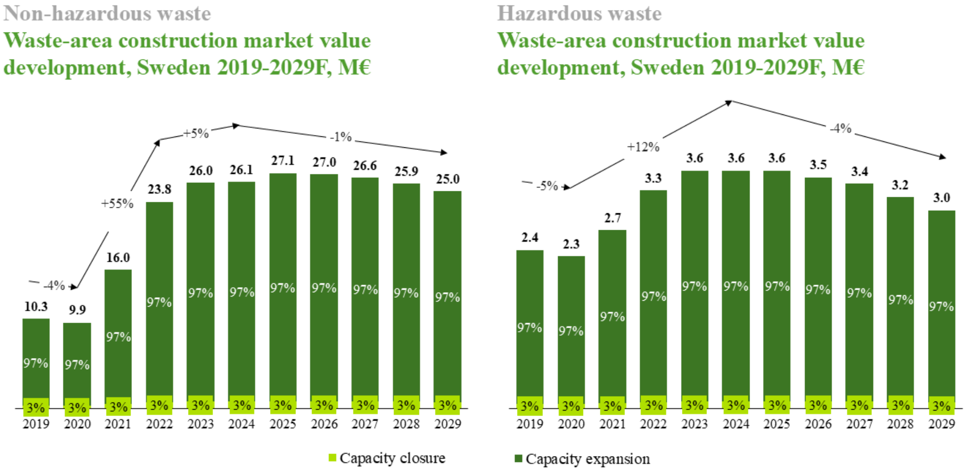


[34] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's assessment of landfill capacity and average service life; Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/).

[35] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's assessment of landfill capacity and average service life; Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/).

[36] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's assessment of landfill capacity and average service life; Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px).

Figure 9: Waste area construction development, Sweden (2019–2029E, million euros)[37]



Industrial services and water treatment

The industrial services and water treatment market in Finland was approximately EUR 283 million in 2024 and EUR 439 million in Sweden, forming a combined market of EUR 720 million in total. In 2019, Finland's and Sweden's combined market size was approximately EUR 570 million, from which it has grown at an average rate of over 5 per cent per annum until 2024. By 2029, the sector is projected to grow by an average of slightly over 3 per cent per annum to EUR 830 million in total.[38]

Finland's share of the industrial services and water treatment market was approximately EUR 230 million in 2019 and by 2024 it grew on average by 4.4 per cent per annum and the market is forecast to continue its growth at a rate of 3.2 per cent per annum to approximately EUR 330 million in 2029.[39]

In Sweden, the market was approximately EUR 340 million in 2019 and by 2024 it grew slightly faster, i.e., at an average rate of 5.4 per cent per annum. In the future, the growth rate is believed to be approximately 3 per cent per annum, whereby the market would grow to approximately EUR 510 million in size by 2029.[40]

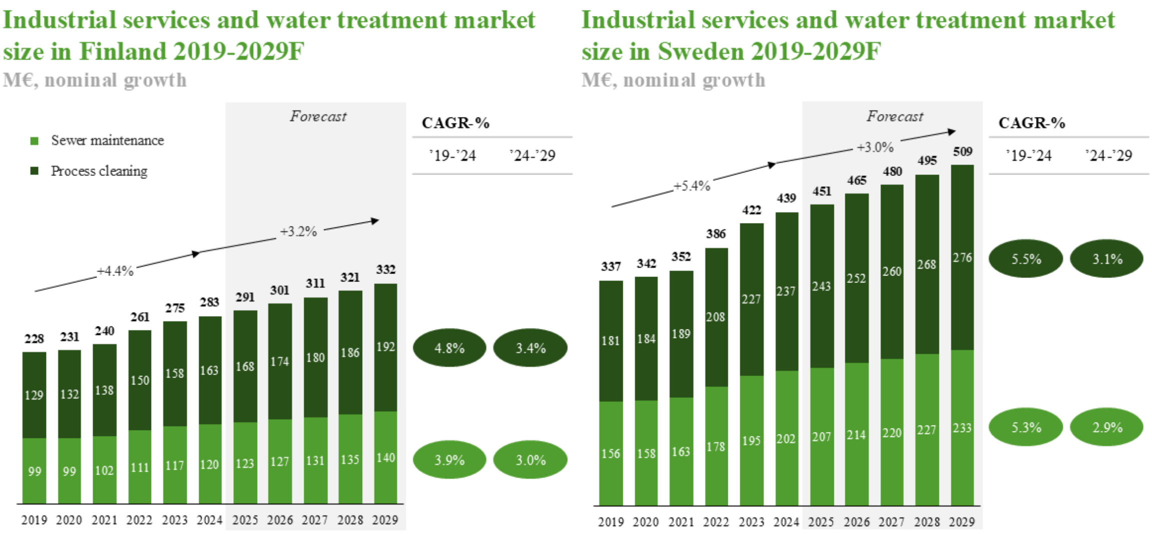
[37] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt); OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Management's assessment of landfill capacity and average service life; Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/).

[38] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__rakke/statfin_rakke_pxt_116i.px/, https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__ras/statfin_ras_pxt_12fy.px/); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/MarkanvByggnadLnKn3/, https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/BostadsbyggnadAlder3/).

[39] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__rakke/statfin_rakke_pxt_116i.px/, https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__ras/statfin_ras_pxt_12fy.px/).

[40] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/MarkanvByggnadLnKn3/, https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/BostadsbyggnadAlder3/).

Figure 10: Industrial services and water treatment market, Finland and Sweden (2019–2029E, million euros)[41]



Process cleaning

The market share size of the process cleaning market in Finland and Sweden was approximately EUR 310 million in 2019 and it has grown at an average of over 5 per cent per annum by 2024, when its size was approximately EUR 400 million. The market is projected to be approximately EUR 470 million in total in 2029, meaning a growth rate of approximately 3.2 per cent per annum.[42]

Finland's process cleaning market was approximately EUR 130 million in 2019, growing to approximately EUR 160 million in 2024, i.e., growing at an average rate of slightly under 5 per cent per annum. The market is forecast to continue growth at an average rate of over 3 per cent per annum to EUR 190 million in 2029.[43]

Correspondingly, the size of Sweden's market was approximately EUR 180 million in 2019 and grew on average approximately 5.5 per cent per annum to approximately EUR 240 million in 2024. Over the next five years the market is forecast to grow to EUR 275 million in 2029, which would correspond to an average growth of approximately 3 per cent per annum during this period.[44]

Sewer maintenance services

The market share of the sewer maintenance services' market in Finland and Sweden was approximately EUR 250 million in 2019 and it has grown at an average of just under 5 per cent per annum by 2024, when its size was EUR 320 million. The sewer maintenance services market is forecast to be approximately EUR 375 million in total in 2029, corresponding to approximately 3 per cent growth per annum on average.[45]

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[41] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__rakke/statfin_rakke_pxt_116i.px/, https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__ras/statfin_ras_pxt_12fy.px/); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/MarkanvByggnadLnKn3/, https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/BostadsbyggnadAlder3/).

[42] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__rakke/statfin_rakke_pxt_116i.px/); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/MarkanvByggnadLnKn3/).

[43] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__rakke/statfin_rakke_pxt_116i.px/).

[44] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/MarkanvByggnadLnKn3/).

[45] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics

Finland's sewer maintenance services market was approximately EUR 100 million in 2019, growing to EUR 120 million in 2024, i.e., at an average rate of approximately 4 per cent per annum. It is forecast to continue to grow at an average rate of 3 per cent per annum to EUR 140 million in 2029.[46]

Correspondingly, in 2019, the market size in Sweden was EUR 156 million and grew at an average rate of 5.3 per cent per annum to approximately EUR 200 million in 2024. It is projected to grow to EUR 233 million in 2029, which would correspond to an average of 2.9 per cent growth per annum during this period.[47]

Competitive landscape

The New Lassila & Tikanoja's strong position in Finland and excellent capabilities create significant competitive advantages in all business segments:

1. Significant economies of scale at a national and local level: The New Lassila & Tikanoja's size at both a local and national level offers cost and efficiency benefits. A locally significant size enables strong customer integration and efficient logistics optimisation. Nationwide operations in Finland, in turn, enables serving large customers across the country. The New Lassila & Tikanoja's size enables credible investments in new technologies and service solutions.

2. Synergistic service portfolio that offers comprehensive solutions: The New Lassila & Tikanoja offers services covering the entire value chain for all waste types. The customer is able to comprehensively procure all services directly from the New Lassila & Tikanoja, which increases its competitive advantage relative to competitors focusing on individual parts of the value chain. The New Lassila & Tikanoja is able to combine and optimise the capabilities across its different business lines, creating synergy benefits. The New Lassila & Tikanoja's vertical integration in the value chain enables margin maintenance within the organisation.

3. Strong focus on sorting and recycling business: Focus on sorting and recycling (vs. incineration) enables the creation of significant added value in a market where the share of recycling and reuse is growing faster than less sustainable waste management solutions.[48] The New Lassila & Tikanoja acts as a partner to its customers in raising recycling rates and as a producer of recycled materials.

4. Market leader[49] and strong brand: The New Lassila & Tikanoja is Finland's market leader in waste management and as a provider of process cleaning services and is the largest or second largest operator in all its business lines, which creates added value in a business where customer turnover is low. In addition, the trust that New Lassila & Tikanoja has gained over the years strengthens its brand.[50]

The New Lassila & Tikanoja's market position and shares

Waste management and recycling

The New Lassila & Tikanoja's competitors can be roughly divided into five key competitor categories: (1) national market leaders (comprehensive solutions for almost all waste types and almost the entire value chain), (2) national fraction specialists (focus on specific waste types), (3) national specialised operators (focus on specific waste types and certain parts of the value chain), (4) local comprehensive solution providers and (5) national service specialists (services for almost all waste types, but focus on a certain part of the value chain).

In Finland, the New Lassila & Tikanoja was the market leader in 2024 with approximately 20 per cent market share and the only market operator capable of producing national solutions that cover the entire value chain. The New Lassila &

Finland(https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__rakke/statfin_rakke_pxt_116i.px/, https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__ras/statfin_ras_pxt_12fy.px/); Statistics Sweden(https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/MarkanvByggnadLnKn3/, https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/BostadsbyggnadAlder3/).

[46] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Finland (https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__rakke/statfin_rakke_pxt_116i.px/, https://pxdata.stat.fi/PxWeb/pxweb/fi/StatFin/StatFin__ras/statfin_ras_pxt_12fy.px/).

[47] Source: Companies' financial statements; Management's assessment of the financial statements; OECD Economic Outlook, Volume 2024 Issue 2 (https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en.html); Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/MarkanvByggnadLnKn3/, https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__MI__MI0803__MI0803B/BostadsbyggnadAlder3/).

[48] Source: Statistics Finland (https://pxdata.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__vaenn/statfin_vaenn_pxt_14wy.px), Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt), Statistics Sweden (https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START__BE__BE0401__BE0401A/BefProgRegFakN/).

[49] Source: Companies' financial statements; Management's assessment of the financial statements.

[50] Source: Norstat end user survey (April 2025).

Tikanoja's market share has remained roughly at the current level over the past five years. In 2024, the market shares of the closest competitors were approximately 10 per cent, 9 per cent and 9 per cent. The New Lassila & Tikanoja's market share is fairly evenly distributed throughout Finland.[51]

The New Lassila & Tikanoja provides comprehensive solutions for its customers efficiently, as its offering is broader than its competitors. In addition, a wide scale enables cost-effective operations regionally and nationally. The New Lassila & Tikanoja is a nationwide operator with a nationwide network in Finland and local experts. It is able to offer its customers comprehensive data-based reporting in an operating environment where the value of reporting and data has increased and is expected to continue to grow in the future. The reporting covers both conventional waste fractions and hazardous waste.

Hazardous waste and remediation

In Finland's hazardous waste market, the New Lassila & Tikanoja is one of the few operators that operate nationwide and offer their services throughout the entire value chain, from collection to treatment. The closest competitor is NG, which specialises in hazardous waste. Stena Recycling, Kuusakoski and Fluo are also operators that provide hazardous waste collection services, but with a fairly limited service offering or within a fairly limited geographical area.

In remediation, only the New Lassila & Tikanoja and NG offer their services across the entire value chain in Finland's competitive landscape. In addition to NG, there are operators in the competitive landscape that focus on, for example, contaminated land area remediation and industrial side stream treatment (e.g., GRK and Soilfood). In addition, there are several operators that may be specialised in, for example, demolition services or expert and engineering services, but do not carry out remediation of contaminated land areas or treatment of industrial side streams (for example, Ramboll and Sweco).

The New Lassila & Tikanoja's total market share in 2024 was 14 per cent with the market divided into industrial side streams (37 per cent), soil remediation (19 per cent), waste area construction projects (3 per cent), and hazardous waste treatment (41 per cent).[52]

For its customers, the New Lassila & Tikanoja creates value by managing demanding projects regardless of waste type or environment. The New Lassila & Tikanoja can deliver comprehensive solutions from permit acquisition and project management to material recovery and remediation. In hazardous waste, the New Lassila & Tikanoja aims to provide recycling solutions instead of waste disposal to its customers. Through its long customer relationships, the New Lassila & Tikanoja is also a trusted and valued partner that has proven its capabilities in different types of projects.

Industrial services and water treatment

In the industrial services and water treatment business line, operators in both Finland and Sweden can be divided into four main categories:

1. Market leaders that are capable of producing enterprise-specific comprehensive solutions for different plant locations.

2. Regional operators that are capable of offering broad service packages in a limited area.

3. Local operators whose offering is often narrower and is targeted at smaller customers, for example in construction and infrastructure sectors.

4. Nationally operating sewer maintenance services companies whose customer base is often broad, consisting of both individual households and larger companies and municipalities. However, the service offering is narrower than that of process cleaning companies.

The New Lassila & Tikanoja and Delete lead Finland's large enterprise customer field in process cleaning services. In 2024, the New Lassila & Tikanoja's market share was approximately 30 per cent in process cleaning and approximately 13 per cent in sewer maintenance services, while the largest competitors' figures were at 36 per cent and 27 per cent. Within Finland, the key customer companies in process cleaning and sewer maintenance services are often large industrial operators.[53]

[51] Source: Companies' financial statements; Management's price assessments.
[52] Source: Companies' financial statements; Management's price assessments; Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt).
[53] Source: Companies' financial statements; Management's assessment of the financial statements.

In Sweden, Buchen, part of the Remondis Group (Delete's parent company), is a clear market leader, and the New Lassila & Tikanoja's subsidiary SVB is a strong local operator. The New Lassila & Tikanoja's share of Sweden's process cleaning market is approximately 6 per cent.[54]

The New Lassila & Tikanoja is able to produce added value for its customers through its industry understanding and ability to scale its services to the customer's changing needs. Thanks to its extensive site network, the New Lassila & Tikanoja is able to react quickly to the customer's process disruptions and to other unforeseen service needs.

[54] Source: Companies' financial statements; Management's assessment of the financial statements.

BUSINESS OF THE NEW LASSILA & TIKANOJA

The New Lassila & Tikanoja will not be incorporated until the Effective Date and, therefore, the following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding the New Lassila & Tikanoja's business, including the assets and liabilities to be transferred to the New Lassila & Tikanoja as a result of the Demerger. The following information reflects a number of assumptions and expectations regarding the New Lassila & Tikanoja's operations, including the Demerger being completed in the timeframe contemplated in this Prospectus. However, there can be no assurance that the Demerger will be completed in the manner or in the timeframe contemplated in this Prospectus, or at all, or that the operations of the New Lassila & Tikanoja will be organised as anticipated as at the date of this Prospectus, any of which may cause any of the statements below to not materialise. The Demerger Plan is attached to this Prospectus as Annex A.

Overview

The New Lassila & Tikanoja is a multi-service company in the circular economy. The New Lassila & Tikanoja enables efficient recycling and utilisation of materials at the highest possible refining rate to its customers. The New Lassila & Tikanoja continuously develops solutions to utilise the side streams of industry and society and to restore land areas according to the principles of the circular economy. The New Lassila & Tikanoja's services also include process cleaning and sewer maintenance. The New Lassila & Tikanoja promotes circularity through a diverse range of recycling, waste management and industrial services.

The New Lassila & Tikanoja's net sales on a carve-out-basis amounted to EUR 315.5 million for the nine months ended 30 September 2025 and EUR 423.9 million for the financial year ended 31 December 2024. The operating profit on a carve-out-basis was EUR 30.0 million for the nine months ended 30 September 2025. The operating profit on a carve-out-basis was EUR 40.5 million for the financial year ended 31 December 2024.

The New Lassila & Tikanoja operates in Finland and Sweden. The New Lassila & Tikanoja is headquartered in Helsinki, Finland, and it has sites in several localities. The New Lassila & Tikanoja had a total of 2,337 employees on a carve-out basis as at 30 September 2025.

The following table sets forth the New Lassila & Tikanoja's key financial figures on a carve-out basis as at the dates and for the periods indicated:

In EUR million, unless otherwise indicated	As at 30 September and 1 January to 30 September		As at 31 December and 1 January to 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(unaudited, unless otherwise indicated)		
Net sales	315.5	318.5	423.9[1)]	422.1[1)]	450.9[1)]
Net sales growth, %	-1.0	-	0.4	-6.4	-
Adjusted EBITDA	64.0	65.1	86.0	82.9	82.0
Adjusted EBITDA margin, %	20.3	20.5	20.3	19.6	18.2
EBITDA	63.8	64.1	83.8	82.6	84.0
EBITDA margin, %	20.2	20.1	19.8	19.6	18.6
Adjusted EBITA	31.6	34.2	44.4	40.5	44.1
Adjusted EBITA margin, %	10.0	10.7	10.5	9.6	9.8
Operating profit	30.0	31.8	40.5[1)]	38.3[1)]	44.6[1)]
Result for the period	22.5	25.0	31.5[1)]	32.4[1)]	35.5[1)]
Net cash flow from operating activities after investments	15.6	20.6	34.3[1)]	39.4[1)]	43.6[1)]
Capital employed	336.1	326.8	321.4	316.4	322.5
Gross capital expenditure	25.2	28.4	36.1	58.2	55.5
Return on capital employed, % (ROCE)	12.3	-	13.7	13.2	14.4
Average number of employees in full-time equivalents (FTEs)	1,864	1,881	1,875	1,890	1,981
Number of employees at the end of period	2,337	2,329	2,219	2,312	2,195

[1)] Audited.

Key strengths

The New Lassila & Tikanoja's management believes that particularly the following factors are the New Lassila & Tikanoja's strengths and represent competitive advantages:

The circular economy offers a large and growing market

The New Lassila & Tikanoja operates on the growing circular economy market and benefits from the global shift towards sustainable use of resources. The total size of the circular economy market is estimated at EUR 8.7 billion and is expected to grow at an average annual rate of approximately 3.2 per cent until 2029. The market growth is based on tightening environmental requirements, which require the efficient return of waste and side streams for reuse. The Finnish market is estimated at EUR 2.5 billion, and the Swedish market at EUR 6.2 billion.[55]

The EU's tightening requirements for safeguarding biodiversity, reducing various emissions and strengthening carbon sinks are steering industry to invest in clean transition solutions, creating new business opportunities for the New Lassila & Tikanoja.

Growing resource efficiency requirements and tightening regulation have increased the demand for the New Lassila & Tikanoja's services, as the industry seeks to adapt its production processes to tightening environmental requirements. This development requires new innovations from the New Lassila & Tikanoja and the ability to identify new business opportunities at the customer interface.

Market leader in Finland with comprehensive waste management infrastructure

The New Lassila & Tikanoja has achieved a leading position in the fragmented waste management market in Finland and has a strong market position both at national and local level. The New Lassila & Tikanoja has a leading position in waste management and recycling in Finland, with an approximately 20 per cent market share. The New Lassila & Tikanoja offers its customers a comprehensive range of services which serve different types of waste management needs. In its industrial services and water treatment business line, the New Lassila & Tikanoja has a market share of approximately 23 per cent, and in the hazardous waste and remediation business line a market share of approximately 14 per cent. The New Lassila & Tikanoja's ability to offer diverse solutions to its customers helps maintain its leading position in markets which are competitive both at local and national level.[56]

The New Lassila & Tikanoja's expertise in waste sorting and recycling, as well as its large material volumes, combined with expertise in regulation and recycling technologies, enables the New Lassila & Tikanoja to create competitive solutions in an evolving market and regulatory environment. This makes the New Lassila & Tikanoja a valuable partner for several industries that need innovative and reliable solutions. The New Lassila & Tikanoja's brand recognition and established customer relationships make it a reliable and valued operator that is able to effectively respond to changing market demands.

The New Lassila & Tikanoja's expertise in hazardous waste and contaminated materials, as well as in environmental remediation, emphasises its ability to provide solutions that support sustainable development. The New Lassila & Tikanoja's extensive expertise and ability to develop new solutions for customers' demanding needs enhance its competitive edge and opportunities to expand into new markets. This unique market position enables the New Lassila & Tikanoja to maintain competitiveness and increase market share, which, in turn, supports its long-term growth strategy and strengthens its position as a leading operator in its industry.

Extensive resources create economies of scale

The New Lassila & Tikanoja serves approximately 22,000 corporate customers in various fields, such as real estate, retail, logistics, construction, industry and the public sector. The New Lassila & Tikanoja manages approximately one million metric tonnes of waste and side streams, which gives it excellent opportunities to create industrial-scale solutions.

The New Lassila & Tikanoja has built a nationwide service and collection network in Finland that is close to customers. The New Lassila & Tikanoja's extensive operating network includes approximately 1,200 vehicles and 174,000 work sites[57]. This infrastructure enables efficient access to customers' various material flows. The New Lassila & Tikanoja's ability to be physically close to its customers supports its competitiveness and enables the provision of tailored waste management solutions.

The New Lassila & Tikanoja has strong capabilities in directing the material flows it has acquired to reuse and recycling. The New Lassila & Tikanoja has 53 treatment and recycling facilities, which process approximately one million metric tonnes of various material flows. This capacity provides the New Lassila & Tikanoja with broad access to different waste

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[55] Source: Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt), Management's price assessments; Management's assessment of the financial statements; Companies' financial statements.
[56] Source: Companies' financial statements; Management's assessment of the financial statements; Eurostat (https://ec.europa.eu/eurostat/databrowser/view/env_wasgen/default/table?lang=en&category=env.env_was.env_wasgt).
[57] Individual sites where New Lassila & Tikanoja provides services to its customers. Does not include municipal contracts. Includes residential customers for whom the responsibility for organising waste management is increasingly shifting to municipalities due to municipalisation.

fractions and enables the development of innovative solutions that improve waste treatment and recycling. The New Lassila & Tikanoja owns approximately 80 per cent of the waste it manages, which enables extensive control of waste throughout its lifecycle. The recycling target at the New Lassila & Tikanoja is approximately 70 per cent, while the current level is at 55 per cent.

In Finland, the New Lassila & Tikanoja's has a nationwide network for the safe final disposal of non-recyclable materials. The New Lassila & Tikanoja operates five disposal areas where it is responsible for the safe final disposal of non-recyclable industrial materials and waste. The waste disposal infrastructure also reduces the New Lassila & Tikanoja's dependence on other operators.

All the above-mentioned capabilities are made possible by the New Lassila & Tikanoja's wide-ranging environmental permits. The New Lassila & Tikanoja has approximately 50 permits in 40 different cities, which enable diverse waste management services nationwide. The permits facilitate the treatment of a total of approximately 2,900,000 metric tonnes of waste, which underpins the New Lassila & Tikanoja's strategic growth targets and strengthens its position as a competitive operator.

The New Lassila & Tikanoja serves a broad customer base with high customer satisfaction

The New Lassila & Tikanoja serves a broad and diverse customer base, which consists of approximately 22,000 corporate customers in various industries. The New Lassila & Tikanoja's customer base is diverse, and the New Lassila & Tikanoja is not dependent on any one single customer. This diversification brings stability and reduces risk to the business operations. The New Lassila & Tikanoja's largest customer accounted for only approximately 3 per cent of its net sales, while the 20 largest customers combined accounted for approximately 25 per cent of the New Lassila & Tikanoja's net sales in the financial year 2024. This diverse customer base supports the New Lassila & Tikanoja's ability to respond to changing market demands and creates a foundation for long-term growth.

In 2024, approximately 84 per cent of the New Lassila & Tikanoja's net sales consisted of services provided on a regular basis. Of this, approximately 68 per cent was based on long-term contracts, which provides predictability and stability for the results of operations. In addition, approximately 16 per cent of net sales consisted of recurring order-based services, which complement contract-based revenues. This combination of long-term contracts and recurring services enables the New Lassila & Tikanoja to focus on growth and development, ensuring that it is able to respond effectively to customers' needs.

The New Lassila & Tikanoja's customer turnover is low, which contributes to operational stability. The New Lassila & Tikanoja's customer contracts are on average 6 years long, which ensures long-term commitment from customers and reduces customer turnover. In addition, almost 70 per cent of customers order more than one type of service.

The NPS of the New Lassila & Tikanoja, which measures customer satisfaction, is currently 46, and has grown from 31 to 46 over the last three years.[58] This indicates excellent customer satisfaction and development. Strong customer satisfaction is a key factor in the New Lassila & Tikanoja's success and supports its position as a leading operator in the waste management industry.

The New Lassila & Tikanoja outperforms its most significant competitors in Finland in 9/10 key performance criteria. The New Lassila & Tikanoja's average overall score is 4.0 compared to key competitors' score of 3.6 (on a scale of 1 to 5).[59] This advantage emphasises the New Lassila & Tikanoja's ability to provide its customers with high-quality solutions and strengthens its competitiveness in the market. The New Lassila & Tikanoja's ability to distinguish itself from competitors in performance criteria supports its position as a valued and reliable partner that is able to effectively respond to changing market demands.

Customer satisfaction is supported by several selection criteria that customers value in the New Lassila & Tikanoja. The New Lassila & Tikanoja's easy-to-use services, which cover a nationwide end-to-end offering, are an important selection factor for customers. In addition, the reliable and cost-effective service offered by the New Lassila & Tikanoja corresponds to customers' needs and expectations. The New Lassila & Tikanoja's ability to improve recycling rates is also a significant advantage, as it supports customers' efforts to promote sustainable development. In addition, transparency and reporting capability increase the New Lassila & Tikanoja's customer value, ensuring trust and satisfaction in its customer base.

[58] Source: The New Lassila & Tikanoja's customer satisfaction survey (Spring 2025).
[59] Source: Norstat end-user survey (April 2025).

Stable performance and strong cash flow

The New Lassila & Tikanoja's adjusted EBITA margin[60] has been very stable, remaining at an approximate 10 per cent level from 2022 to 2024 on a carve-out basis. This demonstrates the New Lassila & Tikanoja's ability to manage costs effectively and optimise business efficiency. Historical profitability has supported the New Lassila & Tikanoja's financial position and enabled it to focus on growth and development.

The New Lassila & Tikanoja's service portfolio and strong presence at different stages of the value chain have provided it with financial stability and helped balance seasonal market fluctuations.

Management assesses that stability has been based on a business portfolio covering the entire value chain, supporting stable net sales and profitability. A strong position in material value chains has been key for the New Lassila & Tikanoja's competitive advantage and long-term growth strategy, strengthening its position as a leading operator in the waste management industry.

The New Lassila & Tikanoja's strong cash flow profile has been achieved through efficient working capital and investment management. Historically stable cash flow has made the New Lassila & Tikanoja flexible and enabled rapid response to market changes. The New Lassila & Tikanoja's efficient capital use is illustrated by a carve-out-based return on capital employed (ROCE) of approximately 14 per cent in 2024.

The New Lassila & Tikanoja's strong statement of financial position, where the pro forma gearing was approximately 92.1% as at 30 September 2025 and net debt / adjusted EBITDA (12 months rolling) approximately 1.9x as at 30 September 2025, enables it to flexibly utilise cash flows for capital allocation. Strong cash flow has provided the New Lassila & Tikanoja with opportunities to invest in growth, service debts, distribute dividends and execute corporate acquisitions, supporting its strategic growth targets. This financial stability and flexibility are key to the New Lassila & Tikanoja's success and competitiveness and they support its position in the markets.

The New Lassila & Tikanoja's positioning for expansion and growth

The New Lassila & Tikanoja's strong position offers significant opportunities for expansion and growth.

The New Lassila & Tikanoja has identified significant potential in increasing the degree of processing of waste into new material or new product. In the medium term, the Finnish waste-to-material market potential is approximately EUR 1.1 billion and the Finnish waste-to-product market potential approximately EUR 2.2 billion.[61]

The New Lassila & Tikanoja's strategic focus on geographical expansion into Sweden, where the New Lassila & Tikanoja has already started its operations, brings additional growth potential.

The New Lassila & Tikanoja's business portfolio enables systematic cross-selling and customer relationship development. Currently, only 20 per cent of B2B invoicing originates from full-service customers, which demonstrates that the New Lassila & Tikanoja is well-positioned to increase net sales in its current customer base.

Waste management and recycling markets are developing strongly due to tightening regulatory requirements and the development of technologies. The New Lassila & Tikanoja is excellently equipped to respond to emerging market opportunities, as its solutions for waste reuse and recycling are well known in the markets. Furthermore, a strong background in corporate acquisitions and well-defined acquisition strategies enable the New Lassila & Tikanoja to accelerate value creation through strategic partnerships and acquisitions.

History

Before the implementation of the Demerger, the Circular Economy Business Area is one of the business areas of the Demerging Company, and the companies operating in this area are part of the Demerging Company's group. The New Lassila & Tikanoja will be established in connection with the Demerger on the Effective Date. In this section "*History*", Lassila & Tikanoja refers to the Demerging Company and its predecessors.

Lassila & Tikanoja's story begins in the early 1900s

Lassila & Tikanoja was founded in 1905 as a wholesale business. Lassila & Tikanoja began industrial clothing manufacturing alongside its wholesale trade in 1923 and was one of Finland's largest clothing industry companies until the 1980s. At its height, Lassila & Tikanoja had industrial operations in almost twenty locations in Finland. From the

[60] Adjusted EBITA margin refers to the Adjusted EBITA margin, % key figure presented in sections *"Selected Combined Carve-out Financial Information—Financial Key Figures"* and "*Unaudited Pro Forma Financial Information—Unaudited Pro Forma Key Figures*".
[61] Source: Statistics Finland.

1960s onwards the share of exports in the company's net sales accounted for more than 50 per cent and the company had significant operations in several European countries.

Listing and expansion through acquisitions

In 1961, Lassila & Tikanoja's shares were listed on Nasdaq Helsinki (then Helsinki Stock Exchange). In the beginning of 1982, Lassila & Tikanoja bought J.W. Suominen Oy, a manufacturer of non-woven fabrics, and in 1988, Amerplast Ltd., which produced plastic flexi-packaging.

In 1989, Lassila & Tikanoja acquired 74 per cent of the shares of Säkkiväline Oy. Finnish paper bag manufacturers founded Säkkiväline in the 1960s to market waste bags and promote the use of the waste bag system. A separate company, Säkkiväline Oy, was founded in 1967. Säkkiväline expanded gradually through corporate acquisitions into waste collection, cleaning services, industrial cleaning and maintenance and damage repair services. In the late 1980s, property maintenance was included as a new field. Entering the 1990s, Lassila & Tikanoja was a multi-business company with its operations divided into the non-woven fabric, flexi-packaging and webbing industry, the service industry and the clothing and footwear industry. However, Lassila & Tikanoja discontinued its clothing and footwear industry and wholesale trade in the early 1990s.

Environmental services became the largest industry of the diversified group in the 1990s

In 1995, Säkkiväline became a wholly owned subsidiary of Lassila & Tikanoja and its net sales accounted for almost half of the group's net sales at the end of the 1990s. Säkkiväline grew strongly in the 1990s as a result of the development of services as well as corporate acquisitions and the service portfolio also expanded to hazardous waste. Development work on environmental products focused especially on products related to waste recovery.

Corporate arrangements and circular economy in the 2000s

In 2000, Säkkiväline acquired WM Ympäristöpalvelut Oy. Through the acquisition, Säkkiväline grew to become one of the leading operators in waste management and recycling. In 2001, Lassila & Tikanoja plc demerged into two separate companies, Lassila & Tikanoja plc and Suominen Corporation. In 2002, Säkkiväline Oy merged with Lassila & Tikanoja plc and at the same time, the L&T brand was launched to cover all the company's then current operating divisions (environmental services, property and user support services and industrial services).

In 2007, Lassila & Tikanoja acquired a majority of the shares of bioenergy company Biowatti Oy. Through the acquisition of Biowatti Oy, Lassila & Tikanoja expanded its operations to energy wood business and became a producer of bio-based raw materials. In 2012, Lassila & Tikanoja acquired the remaining shares of Biowatti Oy.

In 2014, Lassila & Tikanoja expanded to pallet business by acquiring the business of J A Tauriainen Oy, which focused on recycling and reuse of pallets.

In 2017, Lassila & Tikanoja acquired Veolia FM AB's facility management business in Sweden and expanded its operations to Sweden, particularly to technical facility management for hospitals and the public sector.

From the beginning of 2021, Lassila & Tikanoja transferred its three divisions into separate subsidiaries: environmental services were in L&T Ympäristöpalvelut Oy, industrial services in L&T Teollisuuspalvelut Oy, and facility services in L&T Siivous Oy, L&T Kiinteistöhuolto Oy and L&T Kiinteistötekniikka Oy.

In the first quarter of 2022, Lassila & Tikanoja's industrial services expanded to the Swedish process cleaning market through the acquisition of a 70 per cent stake in SVB. The transaction also included Cisternservice i Hässleholm AB, which was owned by SVB. On 1 February 2024, SVB acquired all shares in PF Industriservice AB, a provider of process cleaning services. Cisternservice i Hässleholm AB and PF Industriservice AB were merged into SVB on 30 December 2024.

L&T Biowatti Oy's energy wood business, owned by Lassila & Tikanoja, and Neova Oy's energy wood business in Finland and Estonia merged into Laania Ltd on 1 July 2022. Lassila & Tikanoja owns 55 per cent of the shares of Laania Ltd.

Lassila & Tikanoja's environmental services division acquired the remaining 60 per cent of the share capital of Suomen Keräystuote Oy on 1 July 2024. Previously, Suomen Keräystuote Ltd was an affiliated company with Lassila & Tikanoja holding a 40 per cent ownership. Lassila & Tikanoja strengthened its recycling business in 2024 by acquiring Stena Recycling's pallet business. The necessary regulatory approvals for the acquisition were received in May 2025, and the acquisition was completed on 2 June 2025.

Strategy

The New Lassila & Tikanoja is the market leader in circular economy services in Finland. The solid foundation of the New Lassila & Tikanoja's business is derived from its customer orientation, attractive markets, a business model that covers the entire value chain and a strong balance sheet. The circular economy is simultaneously affected by several megatrends, accelerating transformation of the industry. The most significant of these megatrends include:

- Societal pressure towards circular economy solutions
- Regulatory support for recycling and increasing requirements for waste reporting
- New recycling technologies
- Growing pressure for restoration and demand for biodiversity solutions

To respond to these challenges, the New Lassila & Tikanoja focuses on three areas in its growth strategy: (1) development of core business and services, (2) expansion in material value chains and (3) geographical expansion. In these three growth areas, the New Lassila & Tikanoja identifies attractive opportunities for profitable growth, supported by strategic partnerships, organic investments and selective acquisitions.

Core business development

The New Lassila & Tikanoja seeks to utilise the potential of over EUR 2 billion in its core markets.[62] This growth area is based on expanding the New Lassila & Tikanoja's service network, developing the service offering and methods and targeted growth in selected customer segments.

The New Lassila & Tikanoja seeks to utilise its broad customer base and to develop the services offered to them by utilising the entire Circular Economy Business Area portfolio, which enables systematic cross-selling and the development of customer relationships. Deeper customer relationships are pursued by integrating more closely with the customers' processes.

The business is sought to be developed by introducing high added value services, new concepts and business models to both current and new customers, such as generating environmental and nature values, as well as biodiversity and restoration solutions.

Although the New Lassila & Tikanoja's service network coverage is already extensive, the New Lassila & Tikanoja seeks to further develop its service network and strengthen its capabilities in selected areas. Strengthening the service network is directly linked to local expertise and efficiency, which is a prerequisite for competitiveness.

Valorisation of waste and integration into material chains

Valorisation of waste and integration into material chains is the New Lassila & Tikanoja's second growth area, which offers a market potential of over EUR 3 billion in Finland.[63] This growth area focuses on adding value to materials and deeper integration into material chains. Value is particularly produced by keeping materials as part of the cycle and increasing the value attached to them by pre-processing, sorting and refining.

Development of material chains and creation of recycling solutions supports sustainable development of society and customers and creates significant added value by increasing customers' recycling rates, replacing virgin materials and removing contaminated materials from circulation.

This also means developing new operating models and investing in technologies that enhance recycling. Developing capabilities also supports the New Lassila & Tikanoja's competitiveness in the markets, as it enables offering of even better and more efficient solutions to customers and reduces markets' dependence on waste incineration or other final disposal.

Technology solutions can be either existing technologies or developing technologies, which can be further developed organically, inorganically or with partners. Value can particularly be created in fractions where there is not yet a recycling solution, enabling the utilisation of the material value of the fraction instead of incineration.

Solutions are sought to be developed for the commercial, industrial and construction sector and the fractions generated in them. The New Lassila & Tikanoja's role can be, for example, as an industry partner that secures the supply of sustainable

[62] Finnish circular economy market in 2024.
[63] Waste-to-product – market size in the mid-term; Statistics Finland.

and high-quality inputs and is responsible for the necessary pre-processing of raw materials. The New Lassila & Tikanoja's competitive advantage stems from its broad access to the necessary materials.

Developing water treatment solutions is another important part of the New Lassila & Tikanoja's strategy. Similar to material recycling, the solutions aim to keep water in circulation and produce solutions for water treatment and remediation. These solutions support environmental protection and promote sustainable development, which is important for both customers and society.

Circular economy business growth in Sweden

The Circular Economy Business Area's growth in Sweden is the New Lassila & Tikanoja's third growth area. The New Lassila & Tikanoja seeks to expand its circular economy business portfolio in Sweden, where there is a market potential of over EUR 5 billion.[64] In the near future, the Circular Economy Business Area's growth in Sweden focuses on inorganic actions, such as company and business acquisitions, intended to help achieve a growing market share in several business lines, alongside the existing process cleaning services. Growth in Swedish markets is important, as it offers opportunities for the New Lassila & Tikanoja to expand and establish its position in new market areas, since for example in industrial cleaning expansion requires, in practice, the establishment of a local unit.

Growth in Swedish markets is supported by the strengthening of the circular economy and society's increasing regulatory requirements. The New Lassila & Tikanoja seeks to utilise the opportunities in the Swedish markets by developing new and innovative solutions, based on the solid experience gained in the Finnish markets.

In summary, it can be stated that management assesses that the New Lassila & Tikanoja's strategy supports its targeted long-term growth and success, while simultaneously promoting sustainable development. This strategy seeks to utilise the New Lassila & Tikanoja's strengths and opportunities in the markets. Efficient operating models and a growth-supporting strategy enable the New Lassila & Tikanoja to offer an even broader range of services and build deeper customer relationships.

Financial Targets

The financial targets constitute forward-looking statements that are not guarantees of future financial performance. The New Lassila & Tikanoja's actual results could differ materially from the results presented in or implied by such forward-looking statements as a result of numerous factors discussed in, among other sections, "Certain Matters—Forward-Looking Statements", "Risk Factors" and "Operating and Financial Review—Key Factors Affecting the Results of Operations". All of the financial targets presented in this Prospectus are only targets and should not be considered forecasts or estimates of the New Lassila & Tikanoja's future performance.

The Demerging Company's Board of Directors has set the following performance targets for the New Lassila & Tikanoja:

- Average annual net sales growth of over 6 per cent in the mid-term[65];
- Adjusted EBITA margin[66] of 11 per cent in the mid-term[67];
- Net debt to adjusted EBITDA[68] of 1.5x–2.5x;
- A dividend payout ratio of at least 50 per cent of net income[69].

Business Operations

Business model

The New Lassila & Tikanoja's business model is based on the principles of the circular economy and sustainable growth. The New Lassila & Tikanoja creates value for customers, owners, employees and other stakeholders by managing the entire value chain of waste and side streams. This means that the New Lassila & Tikanoja is responsible for the collection,

[64] Circular Economy market in Sweden in 2024.
[65] Mid-term refers to 3–5 years.
[66] Adjusted EBITA margin refers to the Adjusted EBITA margin, % key figure presented in sections *"Selected Combined Carve-out Financial Information—Financial Key Figures"* and "*Unaudited Pro Forma Financial Information—Unaudited Pro Forma Key Figures*".
[67] Mid-term refers to 3–5 years.
[68] Net debt to adjusted EBITDA refers to the net debt / adjusted EBITDA key figure presented in section "*Unaudited Pro Forma Financial Information—Unaudited Pro Forma Key Figures*".
[69] Net income refers to the Result for the period presented in section "*Unaudited Pro Forma Financial Information—Unaudited Pro Forma Key Figures*".

transportation and treatment of materials, directing them primarily to reuse or recycling. If this is not possible, materials are utilised in energy production or directed to safe final disposal.

At the core of the business model are customer orientation and efficient service production. The New Lassila & Tikanoja serves a wide range of companies, the public sector and households, and it holds a strong position as an industrial partner. The New Lassila & Tikanoja manages waste logistics by utilising its own site network and an extensive partner network, which includes, among others, waste treatment and logistics companies as well as subcontractors providing other services. Materials not treated by the New Lassila & Tikanoja itself are directed to partners with environmental permits and specialised expertise in processing such materials.

Treated materials are delivered to industry as secondary raw materials or to energy producers as recycled fuel. In addition, the New Lassila & Tikanoja offers expert services that support customers in waste sorting, developing and managing circular economy goals, sustainability reporting and improving user and customer experience. Data on the environmental impact of the services is produced to support customers' sustainability goals.

Data-driven management is a key part of the business model. Through data, the New Lassila & Tikanoja develops its services, improves operational efficiency and identifies development needs, both from the customers' perspective and its own operations. In this way, the New Lassila & Tikanoja is able to support its customers' circular economy goals and help improve their recycling rates.

Business lines

The service offering of the New Lassila & Tikanoja's business will be divided into the following three business lines: *Waste management and recycling*, *Hazardous waste and remediation* and *Industrial services and water treatment*.

Waste management and recycling, *Hazardous waste and remediation* and *Industrial services and water treatment* accounted for 66 per cent, 15 per cent and 19 per cent of the New Lassila & Tikanoja's net sales (before internal eliminations) on a carve-out basis for the financial year ended 31 December 2024, respectively.

Waste management and recycling

The waste management and recycling business line consists of nationwide waste collection and recycling services. Collection services cover all waste fractions generated from companies' operations, such as plastics, construction waste and confidential waste. In addition to corporate waste management, the New Lassila & Tikanoja produces collection and logistics services to, among others, municipalities and the public sector.

Waste management and recycling service offering:

- Waste collection and transportation services;
- Waste processing and ensuring proper further treatment;
- Sale of secondary raw materials as well as wood and recycled fuels;
- Sale, rental, maintenance and repair of collection equipment;
- Information security services: destruction of sensitive documents and recordings;
- Sale and rental of used and new pallets;
- Expert services in environmental management; and
- Event services under the Bajamaja brand: portable sanitation and toilet solutions for construction sites, events and industrial locations.

The New Lassila & Tikanoja takes care of the customer's entire waste management process from planning to implementation, when necessary. The New Lassila & Tikanoja's business customers get access to comprehensive waste management digital services, through which the customer can, among other things, monitor their waste management, place additional orders and monitor the development of their recycling rate. Through digital services, the customer can also handle waste management reporting in accordance with regulatory requirements.

Beyond collection services, the New Lassila & Tikanoja operates a comprehensive nationwide network of processing plants for various materials, enabling efficient and responsible recycling. Production of secondary raw materials is promoted by investments in new treatment solutions and by cooperating with the New Lassila & Tikanoja's partners.

The New Lassila & Tikanoja works actively to develop new solutions so that the largest possible share of materials could be directed back into circulation. Through its service offering, the New Lassila & Tikanoja promotes circular economy by recycling generated waste fractions into secondary raw materials.

In the New Lassila & Tikanoja's recycling and treatment plants, materials primarily end up in reuse or recycling, raising customers' recycling rates. Various materials circulate through the New Lassila & Tikanoja's plants, such as various plastics, paper, carton, cardboard, glass, various metals, cans, bottles, confidential waste, construction waste and energy fractions. In addition to recycled fractions, production of recycled fuels forms a significant part of the production in the New Lassila & Tikanoja's plants. Besides recycling and treatment plants, the New Lassila & Tikanoja has numerous waste reception points around Finland, where also third parties can bring waste materials.

Hazardous waste and remediation

The hazardous waste and remediation business line includes comprehensive hazardous waste collection and recycling services, as well as remediation services, such as the remediation of contaminated soil, reception and utilisation of side streams and construction of waste management area.

The New Lassila & Tikanoja offers hazardous waste recycling services to, among others, industry, retail and public sector customers. The business line consists of the collection of hazardous waste as well as ensuring its responsible utilisation and appropriate recycling, reducing customers' carbon footprint. Hazardous waste and recycling service offering includes:

- Collection and transportation services;
- Recycling and ensuring proper treatment;
- Sale and rental of collection equipment;
- Sale of secondary raw materials; and
- Training and expert services.

Waste is classified as hazardous if it, due to its chemical or other properties, may cause special danger or harm to health or the environment. Examples are, chemicals, medicines, oils, batteries and accumulators, solvents, glues, lacquers, paints, pesticides and pressure-treated wood. For hazardous waste, a recycling solution is primarily sought. The New Lassila & Tikanoja treats and recycles hazardous waste in its own recycling plants located throughout Finland. Hazardous waste is separated, and all utilisable raw materials are recovered from it. The New Lassila & Tikanoja pre-treats and processes recyclable components before refining, so that the maximum possible share of waste streams can be utilised as raw material. The New Lassila & Tikanoja safely removes waste that cannot be recycled from circulation and neutralises it.

The New Lassila & Tikanoja sells and offers for rent collection containers for hazardous waste both in solid and liquid form, enabling efficient recycling of hazardous waste. The New Lassila & Tikanoja builds customer-specific collection systems.

Treatment of hazardous waste requires environmental permits, and compliance is monitored by the Finnish Centre for Economic Development, Transport and the Environment through regular periodic inspections. In addition, transporting hazardous waste requires equipment that meets special regulations, and in road transportation of hazardous waste, the vehicle driver must hold a licence authorising the transport of dangerous goods (ADR driving certificate). Due to changes in the Finnish Waste Act that came into force in 2021, the industry is subject to, among other things, a broader obligation to separately collect waste, according to which homogenous waste generated in large quantities must be sorted separately (see also "—*Regulatory environment*" below). The New Lassila & Tikanoja's services include waste management surveys, which examine recycling possibilities for separately collected waste by examining waste streams, waste qualities and waste quantities.

In remediation services, the New Lassila & Tikanoja carries out remediation projects across Finland. The New Lassila & Tikanoja directs industry side streams, contaminated soil and other suitable solid and mineral waste to beneficial use. Typical contaminated soil remediation sites are industrial areas, energy and power plant areas, old railway yard areas, service station properties, shooting ranges, filled coastal areas and oil accident sites. Remediation services are typically structured as projects where the customer orders the project as one comprehensive solution. The New Lassila & Tikanoja's extensive treatment centre network enables it to receive contaminated soil at its nearest treatment centre.

Remediation services are offered to, among others, industrial and public sector clients, as well as construction and infrastructure operators. The remediation service offering includes:

- Cleaning of contaminated soil;
- Construction and closure of waste management areas;
- Industrial and commercial demolition works;
- Treatment and safe final disposal of industrial side streams; and
- Operation of waste management areas.

The New Lassila & Tikanoja receives and treats contaminated soil materials safely and with respect for the environment throughout Finland. Soil masses are treated at the customer site or delivered to the New Lassila & Tikanoja's treatment centres for processing. Where possible, the New Lassila & Tikanoja utilises usable soil materials and other materials in on-going construction sites, minimising transport distances and saving virgin natural resources. Following remediation, contaminated soil and other suitable solid and mineral waste materials are returned to the original site for beneficial reuse or repurposed for earthworks at alternative locations. Waste unsuitable for beneficial use is treated to make it suitable for landfilling and directed to safe final disposal.

In addition to maintaining active waste management areas and closing decommissioned ones, the New Lassila & Tikanoja also constructs new landfill areas. Industry side streams, contaminated soil material or surplus soils can often be utilised in waste collection area structures. Local recycled materials available nearby are cost-effective and reduce environmental burden. The New Lassila & Tikanoja's extensive network and treatment sites throughout Finland enable side streams to be stored close to the site.

Industrial and water treatment

The New Lassila & Tikanoja offers support services for industry and production facilities, such as process equipment cleaning and sewer maintenance services, as well as water treatment services. These services ensure customer's process continuity and efficiency. The offering includes, for example, the following services:

- Sandblasting, where slag mixed with compressed air is blown at the target;
- Blast cleaning, which removes ash and other impurities attached to the target with a pressure wave generated by a blast;
- Dry-ice blasting, where frozen carbon dioxide is shot at the target using compressed air. Carbonated ice blasting is an effective cleaning method that does not generate washing waste;
- High-power vacuuming and high-power blowing, where large amounts of materials can be vacuumed or moved;
- High-pressure and ultra-high-pressure cleaning. Ultra-high-pressure cleaning is suitable for removing demanding coating materials and can even be used to crush concrete and cut steel;
- Hydrodemolition, which removes damaged surface material in renovation and industrial sites;
- Soda blasting, which is a waterless cleaning method used especially for sensitive targets, such as log walls and concrete renderings;
- Steaming, which is suitable for melting various surfaces, and steam washing, which can e.g. wash dirt or greasy surfaces;
- Wet suction, which moves liquids and sludges;
- Wet sandblasting, where sand mixed with water is blown at the target at low pressure;
- Portable water treatment and cleaning solutions; and
- Comprehensive sewer maintenance services: sewer opening and washing, well emptying, sewer and pipeline inspections, suction truck services, and emptying of oil, sand and grease separators.

In portable water treatment solutions, contaminated water is cleaned at its place of origin. In industry, water treatment helps minimise the use of clean water when water cleaned on-site can be reused in processes. At the same time, both the amount of water to be sewered and transports to treatment plants are reduced.

The New Lassila & Tikanoja operates in Sweden under the SVB brand and offers industrial customers a broad range of process cleaning services. Since 2022, the New Lassila & Tikanoja has owned a 70 per cent share of the share capital of SVB, which provides process cleaning services in Sweden. Through the arrangement, the New Lassila & Tikanoja expanded to the Swedish process cleaning services market.

The New Lassila & Tikanoja's business in Sweden expanded in 2024 to cover various process cleaning services for forest industry, energy industry and construction industry customers when the New Lassila & Tikanoja acquired the entire share capital of PF Industriservice AB. PF Industriservice AB merged with SVB during the 2024 financial year.

The following table sets forth the geographical breakdown of the New Lassila & Tikanoja's net sales on a carve-out basis for the periods indicated based on the customer's country of domicile:

In EUR million	1 January to 30 September		1 January to 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(audited)		
Finland	293.1	293.9	393.3	398.6	429.9
Sweden	15.8	16.5	21.2	16.8	15.9
Other countries[1]	6.6	8.1	9.4	6.7	5.2
Total	**315.5**	**318.5**	**423.9**	**422.1**	**450.9**

[1] Other countries include the following: Denmark, Norway, Germany, Belgium, the Netherlands, Estonia, Latvia, Lithuania, Poland, France, Switzerland, the United States and the United Kingdom. Net sales to other countries consist primarily of sales of secondary raw materials and recycled materials.

Sales and Customers

The New Lassila & Tikanoja's customer industries include, among others, industry, construction, the retail sector, the public sector and properties. The New Lassila & Tikanoja's customer base consists of companies, industrial facilities, office and commercial properties, institutional property owners, housing companies, the public sector and households.

The New Lassila & Tikanoja has a broad customer base and the New Lassila & Tikanoja is not dependent on any individual customer. During the financial year 2024, the New Lassila & Tikanoja's twenty largest customers, measured by net sales, accounted for approximately 25 per cent of the New Lassila & Tikanoja's net sales. The New Lassila & Tikanoja's largest customer's share of the New Lassila & Tikanoja's net sales was approximately 3 per cent over the same period. The sizes of service contracts vary significantly, ranging from small individual services for private customers to large companies' services with total values that may exceed ten million euros.

The New Lassila & Tikanoja's sales organisation has its own organisations for managed national and regional customers. In addition, customer service engages in sales alongside its customer service work. Regional sales cover all of the New Lassila & Tikanoja's business lines and local sales. The New Lassila & Tikanoja has a centralised customer service organisation, and in addition, offers customers complementary digital services for waste management. Through digital services, customers can handle matters related to waste management, place additional orders and carry out waste management reporting in accordance with regulatory requirements. Production also plays a significant role in high-quality management of customer relationships.

The following table sets forth the New Lassila & Tikanoja's net sales breakdown on a carve-out basis for the periods indicated:

In EUR million	1 January to 30 September		1 January to 31 December		
	2025	2024	2024	2023	2022
	(unaudited)		(audited)		
Long-term service agreements	212.1	218.0	289.4	292.5	280.6
Separately ordered services	53.1	48.8	66.0	58.5	59.0
Project business	7.1	7.9	9.9	11.8	9.7
Sales of equipment and materials	40.6	41.2	55.1	55.7	98.3
Lease income	2.6	2.7	3.5	3.5	3.3
Net sales total	**315.5**	**318.5**	**423.9**	**422.1**	**450.9**

Supply chain

Third parties supply the New Lassila & Tikanoja with services, tools, equipment, raw materials, fuels, software and finished products, on whose availability and timely delivery the New Lassila & Tikanoja's service production and sales processes depend. Materials used in processes at the New Lassila & Tikanoja's recycling plants are mainly waste fractions acquired from the New Lassila & Tikanoja's customers through service production, as well as other necessary commodities.

When selecting suppliers, in addition to cost-efficiency, the New Lassila & Tikanoja emphasises the quality, availability, compliance and reliability of the supplier's operations and products, as well as ethical operating principles. The New Lassila & Tikanoja utilises, among other things, self-assessment when evaluating suppliers. For the most significant suppliers, the New Lassila & Tikanoja monitors operations through separately set performance metrics. In addition, the New Lassila & Tikanoja conducts risk-based supplier audits.

The New Lassila & Tikanoja is not strongly dependent on individual suppliers, but it has some dependence on, for example, certain fuel and equipment suppliers, as a large part of the New Lassila & Tikanoja's business is dependent on vehicles and heavy equipment and consequently also on the price and timely availability of fuel as well as equipment usability and availability. The share of the New Lassila & Tikanoja's ten largest suppliers was approximately 30 per cent of the New Lassila & Tikanoja's total procurements during the 2024 financial year.

Business development

The New Lassila & Tikanoja's future growth and success are based on its continuous ability to identify and respond to changes in industry needs and to market services and solutions in changing markets. The New Lassila & Tikanoja has for years been developing services and solutions that help its customers operate more sustainably and reduce their carbon footprint. The New Lassila & Tikanoja is committed to continuous improvement of operations and quality management systems and creates prerequisites for achieving its quality objectives. The New Lassila & Tikanoja continuously develops and improves the quality of its operations together with its personnel and customers.

The objective of the New Lassila & Tikanoja's development activities is to create competitive advantage for the New Lassila & Tikanoja and thus help the company achieve its growth objectives. For example, in 2024 the New Lassila & Tikanoja started research cooperation with the University of Tampere to develop its industrial environmental construction services for nature restoration and biodiversity loss mitigation. The research aims to develop calculation methods for the effectiveness of nature restoration benefits. Business Finland partially finances the project continuing until 2026.

Investments

The New Lassila & Tikanoja's gross capital expenditure during the periods covered by the financial information contained in this Prospectus have consisted of tangible assets, such as land areas, machinery and equipment, vehicles, buildings and structures, as well as investments in information systems. In addition, the New Lassila & Tikanoja has made investments in corporate acquisitions and new processing technologies. The New Lassila & Tikanoja extensively uses specialised equipment in its business and thus continuous investments in machinery and equipment are key for the New Lassila & Tikanoja's business. The machinery and equipment of the New Lassila & Tikanoja are owned by the company itself, in addition to which it has leasing equipment. The New Lassila & Tikanoja has set itself a net-zero emissions target by 2045, which will steer its future equipment investments towards clean technologies.

After the Demerger, the New Lassila & Tikanoja will mainly finance its investments with cash flows from operating activities as well as with bank loans. Investments are approved annually by the New Lassila & Tikanoja's Board of Directors. The New Lassila & Tikanoja has an annual plan and annual budget for its investments, which defines approval and authorisation procedures for investments that exceed certain defined monetary thresholds.

The New Lassila & Tikanoja's gross capital expenditure totalled EUR 25.2 million on a carve-out basis for the nine months ended 30 September 2025, EUR 36.1 million in 2024, EUR 58.2 million in 2023 and EUR 55.5 million in 2022. For the nine months ended 30 September 2025, EUR 24.0 million of gross capital expenditure on a carve-out basis were allocated to Finland and EUR 1.2 million to Sweden.

The New Lassila & Tikanoja's capital commitments on a carve-out basis totalled EUR 8.6 million as at 30 September 2025, consisting of purchase commitments for tangible assets in Finland. The purchase commitments for tangible assets mainly related to equipment acquisitions. In addition, the New Lassila & Tikanoja has recognised a contingent consideration of EUR 4.8 million as at 30 September 2025 related to the acquisition of the Swedish company SVB, which will mature no earlier than 1 February 2026.

The New Lassila & Tikanoja has not made significant investment commitments between 30 September 2025 and the date of this Prospectus.

Recycling and treatment facilities and premises

The New Lassila & Tikanoja is headquartered in Helsinki. Key operating sites for the New Lassila & Tikanoja's business are its recycling and treatment facilities. The New Lassila & Tikanoja's recycling facility network covers all of Finland, which enables efficient recycling and treatment of materials. The New Lassila & Tikanoja's largest recycling and treatment facilities are located in Kerava, Turku, Jyväskylä, Lahti, Oulu and Hämeenlinna. The New Lassila & Tikanoja's plastic recycling facility is located in Merikarvia, and the largest pallet centres are located in Järvenpää, Oulu, Klaukkala and Lieto. The New Lassila & Tikanoja's largest environmental construction treatment centres and final disposal areas are located in Uusikaupunki, Varkaus, Kotka, Välimaa and Pori. The sites with environmental permits are mainly owned by the company. The New Lassila & Tikanoja's facilities and service points conduct internal inspections in accordance with ISO 9001, ISO 14001 and ISO 45001 requirements as well as annual external ISO certification inspections.

Group structure

After the Effective Date, Lassila & Tikanoja Oyj is the parent company of the New Lassila & Tikanoja group and its operational activities take place mainly within the New Lassila & Tikanoja's subsidiaries. In accordance with the Demerger Plan, on the Effective Date, three subsidiaries in Finland, one subsidiary in Sweden and one joint venture in Finland will transfer to the New Lassila & Tikanoja group.

During the financial year 2024, the Swedish limited liability companies Cisternservice i Hässleholm AB and PF Industriservice AB that belonged to the group were merged into SVB.

The following table sets forth the subsidiaries and associated companies of the New Lassila & Tikanoja in accordance with the Demerger Plan and as at the date of this Prospectus:

Subsidiaries of the New Lassila & Tikanoja	Consolidated shareholding and voting right (per cent)	Country of incorporation
Subsidiaries		
L&T Ympäristöpalvelut Oy	100	Finland
L&T Teollisuuspalvelut Oy	100	Finland
Suomen Keräystuote Oy	100	Finland
Sand & Vattenbläst i Tyringe AB	70	Sweden
Joint venture		
Laania Ltd	55[1)]	Finland

[1)] The New Lassila & Tikanoja owns 55 per cent of the joint venture, and Neova Oy 45 per cent. However, under the agreement, the owners have joint control over Laania Ltd.

Employees

The New Lassila & Tikanoja employed, in full-time equivalents and on a carve-out basis, an average number of 1,864 employees during the nine months ended 30 September 2025. In full-time equivalents and on a carve-out basis, the New Lassila & Tikanoja employed an average number of 1,875 employees in 2024, 1,890 employees in 2023 and 1,981 employees in 2022. The carve-out personnel presented consists of the employees of the subsidiaries transferring to the New Lassila & Tikanoja in the Demerger, as well as a proportion of employees employed by the Demerging Company. The number of employees on a carve-out basis does not necessarily reflect the number of employees of New Lassila & Tikanoja after the Demerger, when the New Lassila & Tikanoja will operate as a standalone company.

The following table sets forth a breakdown by geographical area of the New Lassila & Tikanoja's employees, in full-time equivalents and on a carve-out basis for the periods indicated:

	1 January to 30 September		1 January to 31 December		
	2025	2024	2024	2023	2022
Finland	1,770	1,784	1,789	1,810	1,907
Sweden	94	97	86	80	74
Total	**1,864**	**1,881**	**1,875**	**1,890**	**1,981**

There have been no material changes in the number of employees between 30 September 2025 and the date of this Prospectus.

The New Lassila & Tikanoja has human resources policies in place for equal and respectful treatment of its employees. The New Lassila & Tikanoja always prioritises safe and healthy working conditions and continuously works towards zero accidents in all of its operations. The New Lassila & Tikanoja's operations are continuously assessed to identify and eliminate potential workplace hazards, in addition to which risks of injuries and risks to health are proactively mitigated. The New Lassila & Tikanoja makes safety improvements based on these assessments and ensures that the employees are properly trained to carry out their work safely.

Sustainability

The New Lassila & Tikanoja's sustainability work is deeply integrated into its strategy and management. Sustainability work is reported in accordance with the standard of the EU Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464, "**CSRD**"). In connection with strategy updates, the Board of Directors defines the objectives and indicators of the sustainability work from which annual targets are derived.

The long-term targets of the New Lassila & Tikanoja's sustainability programme take into account regulatory requirements and stakeholder expectations. The targets of the sustainability programme promote the New Lassila & Tikanoja's mission to make circular economy a reality throughout the value chain.

- The New Lassila & Tikanoja is moving towards a fully circular economy together with its customers. Through its services, the New Lassila & Tikanoja creates solutions to mitigate climate change and biodiversity loss, and promotes the circularity of materials and creates solutions for the sustainable use of the built environment.
- The New Lassila & Tikanoja values diversity and equality at the workplace and invests in well-being at work and occupational safety.
- The New Lassila & Tikanoja acts appropriately and transparently throughout the value chain. Good corporate governance is a cornerstone of the New Lassila & Tikanoja's sustainability efforts.

The New Lassila & Tikanoja's sustainability programme includes short-term and long-term targets extending to 2030. The short-term targets correspond to the New Lassila & Tikanoja's strategy period. The targets for 2030 correspond to the time frame of the UN Sustainable Development Goals. The key measurable targets of the sustainability programme concern the New Lassila & Tikanoja's climate targets, recycling rate, occupational safety frequency of the personnel, health and job satisfaction of the personnel and the coverage of training on the Code of Conduct. Compliance in the supply chain is measured by the coverage of the Supplier Code of Conduct and related self-assessments. In addition, in Finland, suppliers subject to the Act on the Contractor's Obligations and Liability when Work is Contracted Out are required to meet the requirements set forth in the act.

The targets of the New Lassila & Tikanoja's sustainability programme:

- The climate target is net zero by the end of 2045. The target applies to the entire value chain.
- The target is to increase customers' recycling rate to 70% by 2030.
  - The recycling rate of material flows managed by the New Lassila & Tikanoja was 61.7% for the six-month period ended 30 June 2025.
- The target is for the total recordable incident frequency (TRIF) to be 15 by 2030.
  - The New Lassila & Tikanoja's TRIF was 24 for the six-month period ended 30 June 2025.
- The target is for the sickness-related absence rate to be under 4% by 2030.
  - The New Lassila & Tikanoja's sickness-related absence rate was 5.7% for the six-month period ended 30 June 2025.
- The target is to achieve an eNPS score of 50 by 2026.
  - The New Lassila & Tikanoja's eNPS score was 37 for the financial year ended 31 December 2024.
- The target is for 100% of the New Lassila & Tikanoja's own personnel to have completed training on the Code of Conduct.
  - The New Lassila & Tikanoja's Code of Conduct training coverage was 62% of all employees for the financial year ended 31 December 2024.

The New Lassila & Tikanoja is committed to supporting the UN Sustainable Development Goals (“**SDG**”) in its operations. The New Lassila & Tikanoja has identified the following SDGs as especially relevant to its operations:

- *SDG 7 — affordable and clean energy*: The New Lassila & Tikanoja increases the share of renewable fuel by using low-emission fleet and renewable fuels in transportation. The New Lassila & Tikanoja uses only renewable electricity in Finland in its own properties.

- *SDG 8 — decent work and economic growth*: The New Lassila & Tikanoja promotes safe and secure working environments for all workers, both physically and mentally, with special attention to vulnerable groups. The New Lassila & Tikanoja’s aim is zero accidents and to reduce total recordable incident frequency (TRIF) to less than 15 by 2030. The New Lassila & Tikanoja has zero tolerance to forced labour, modern slavery and child labour. The New Lassila & Tikanoja respects and supports human rights in its operations.

- *SDG 10 — reduced inequalities*: The New Lassila & Tikanoja’s goal is to develop its operating culture to be more diverse and equal. The aim is a working environment where everyone is free to be themselves. At The New Lassila & Tikanoja, employees treat each other and suppliers fairly. At the New Lassila & Tikanoja, gender is not a factor in pay. In 2022, the New Lassila & Tikanoja’s Finnish operations conducted wage surveys in accordance with the Finnish Equality Act. The wage surveys did not reveal any unjustified differences in pay between the genders. The New Lassila & Tikanoja is involved in FIBS Diversity Charter Finland.

- *SDG 11 — sustainable cities and communities*: The New Lassila & Tikanoja creates value for the society and communities. The circular economy becomes a reality for customers through the business solutions produced by the New Lassila & Tikanoja. The New Lassila & Tikanoja wants to mitigate climate change and be a leader in the circular economy. The New Lassila & Tikanoja replaces fossil and natural materials with recycled materials and aims to return everything produced by humans back into circulation. The services produced for customers reduce emissions and promote material recycling and energy efficiency.

- *SDG 12 — responsible consumption*: The New Lassila & Tikanoja provides solutions to decrease energy use of properties and refines waste into recyclable materials of new packages or products. The New Lassila & Tikanoja’s services increase the productive use of industrial side streams and contaminated soil.

- *SDG 13 — climate action*: The New Lassila & Tikanoja’s climate commitments cover the entire value chain (Scope 1, 2 & 3). The New Lassila & Tikanoja’s strategic objective is to be net-zero by 2045. The science-based emissions reduction target (SBTi) is intended to be updated at the beginning of 2026. The current objective is to halve the carbon footprint of its own operations (Scope 1 and 2), i.e. emission intensity per kilometre driven, by 2030, using 2018 as the baseline. As part of The New Lassila & Tikanoja’s science-based emission reduction target, separate climate targets have been set for the supply chain. The New Lassila & Tikanoja set a separate emission reduction target for subcontracting in 2022. The target is to reduce transport and machinery emissions from subcontracting by 30 per cent by 2030, using 2020 as the baseline. The New Lassila & Tikanoja’s emission reduction targets are based on science and have received the Science Based Targets initiative (SBTi) validation.

- *SDG 15 — life on land*: The New Lassila & Tikanoja’s goal is to promote biodiversity together with its customers. The New Lassila & Tikanoja aims to take action that has a positive impact on biodiversity, particularly in the built environment. As part of comprehensive environmental construction projects, the New Lassila & Tikanoja restores lawns and idle land into natural meadows and forests and removes harmful species, such as rosa rugosa and Persian hogweed. The New Lassila & Tikanoja restores contaminated land areas throughout Finland. The majority of the contaminated soil is recovered and is used in earthworks and soil-stabilization. In spring 2022, The New Lassila & Tikanoja became one of 10 Finnish companies selected for a pilot programme coordinated by FIBS and Sitra to test the Science Based Targets Network’s guidance concerning science-based nature targets.

Sustainability matters are taken into account in the New Lassila & Tikanoja’s strategy, in connection with major business decisions and in risk management processes to the extent that they are material. This also includes the assessment of material impacts, risks and opportunities. The Board of Directors additionally monitors, as part of the risk management process, that the New Lassila & Tikanoja has sufficient capabilities to identify, assess and manage risks effectively. The Board of Directors of the New Lassila & Tikanoja will annually approve the results of the New Lassila & Tikanoja’s double materiality assessment, which address the New Lassila & Tikanoja’s material impacts, risks and opportunities. The New Lassila & Tikanoja’s key sustainability targets are reported to the Board of Directors four times per year in connection with interim reports, and they are part of the New Lassila & Tikanoja’s strategic objectives. In connection with interim reports, the Board of Directors assesses the measures necessary for achieving the targets and metrics. The sustainability risk management process is part of the New Lassila & Tikanoja’s overall risk management process.

Machinery and equipment

Key machinery and equipment used in the New Lassila & Tikanoja's operations include waste trucks, hook lift trucks, vacuum-pressure and combination units, high-power vacuum cleaners, high-pressure water equipment, combination vehicles and various machinery needed in recycling facilities. Machinery and equipment owned by the New Lassila & Tikanoja form a significant part of its tangible assets.

At the core of the Demerging Company's climate transition plan are measures to phase out fossil fuel emissions from transportation by 2045. Achieving this climate target requires the New Lassila & Tikanoja to invest in clean technologies and zero-emission transport fuels. See also *"—Investments"* above.

IT infrastructure

The New Lassila & Tikanoja supports its business objectives, services and customer relationships through information technology solutions. The most important information technology solutions for the New Lassila & Tikanoja's business are systems related to enterprise resource planning ("**ERP**"), customer relationship management, human resource management, cloud platforms and financial reporting. The New Lassila & Tikanoja's IT function is responsible for the New Lassila & Tikanoja's IT infrastructure, services and centralised IT solutions. A significant part of the New Lassila & Tikanoja's IT infrastructure is also based on systems, services and solutions purchased from third parties.

The New Lassila & Tikanoja phased in two new ERP systems in its business lines in phases between November 2024 and September 2025. The implementation phase of the ERP systems continues until the end of 2025. Both new ERP systems for the Circular Economy Business Area are based on Microsoft D365 technology but offer partially different functionalities taking into account the differences and special needs of the business lines.

The New Lassila & Tikanoja aims to evaluate its IT infrastructure during its first years of operation to replace certain IT systems previously used by the Demerging Company, which it will continue to use immediately as of completion of the Demerger, either independently or as provided by the Demerging Company.

The following are the key activities that the New Lassila & Tikanoja has planned to implement during the first years after the Demerger:

- *Re-evaluation of the general application environment.* The New Lassila & Tikanoja intends to evaluate different application areas, the purpose of which is to find suitable IT solutions for the New Lassila & Tikanoja's business. Key solution areas are customer service, human resources, procurement, financial administration, supply chain and basic IT application platforms, i.e. integration and data platforms.

- *Infrastructure simplification.* The New Lassila & Tikanoja inherits the Demerging Company's current cloud-based IT infrastructure. Focus areas include re-evaluation of certain legacy systems and abandoning solutions based on physical server room infrastructures.

- *Financial management system renewal.* As at the date of this Prospectus, there is an ongoing development project for a new financial management system in the Circular Economy Business Area, which will replace part of the systems currently in use in the Circular Economy Business Area. The new integrated financial management system will transfer to the New Lassila & Tikanoja in the Demerger, and the new system is intended to be implemented by the end of the first half of 2026. The development of the new financial management system is one of the Demerging Company's most important projects prior to completion of the Demerger, and the project's development, testing and implementation phases will continue within the New Lassila & Tikanoja after completion of the Demerger. See also "*Risk factors—Risks relating to the New Lassila & Tikanoja's IT systems and intellectual property rights—The New Lassila & Tikanoja's operations and services rely largely on data networks and digital solutions, and any malfunctions in and breaches or attacks targeting such networks and solutions as well as potential failures in information system development projects as well as lack of adequate data processing agreements may adversely affect the business and financial position of the New Lassila & Tikanoja and lead to reputational damage*".

The New Lassila & Tikanoja has implemented an information security policy, the implementation of which is supported by complementary information security guidelines, specifications, plans and training.

Intellectual property rights

The New Lassila & Tikanoja's IPR portfolio will consist of trademarks, utility models, design rights, patents, domain names and company names.

After completion of the Demerger, the New Lassila & Tikanoja aims to protect all material intellectual property rights that are important to its operations. Intellectual property rights protect New Lassila & Tikanoja's products and services and ensure that the New Lassila & Tikanoja has the possibility to market, sell and develop them.

In general, the New Lassila & Tikanoja owns the intellectual property rights to its own services. The New Lassila & Tikanoja also enters into resale or other agreements for products and devices manufactured by third parties or other intellectual property rights of third parties. In addition, the New Lassila & Tikanoja sells certain products and devices manufactured by third parties and equipped with third-party trademarks, such as waste containers, waste compactors, collection equipment as well as sorting containers and sorting equipment. In resale agreements for products and devices manufactured by third parties, the New Lassila & Tikanoja may agree to be liable for damages arising from claims concerning third-party patent, copyright, trademark or trade secret infringements that arise from the New Lassila & Tikanoja's own intellectual property rights or other solutions developed by the New Lassila & Tikanoja for customers. The New Lassila & Tikanoja may also demand indemnities from other parties concerning the New Lassila & Tikanoja's own intellectual property as well as for potential claims against the New Lassila & Tikanoja for alleged infringements.

Company names, trademarks and other intellectual property rights (including domain names) owned by the Demerging Company that contain the word "LASSILA & TIKANOJA" or derivative forms thereof, as well as all other intellectual property rights held by the Demerging Company that belong to the Circular Economy Business Area (including intellectual property rights containing the word "BAJAMAJA" or derivative forms thereof), regardless of whether such rights can be registered or have been registered, will transfer to New Lassila & Tikanoja on the Effective Date. Following the Effective Date, the New Lassila & Tikanoja strives to protect its brands and monitor third-party activities for trademark infringements or other intellectual property right infringements. The New Lassila & Tikanoja will incur costs from protecting and enforcing its brands and intellectual property rights. The Circular Economy Business Area includes 4 patent families and the New Lassila & Tikanoja's subsidiaries own certain registered designs relating to products related to the Circular Economy Business Area.

Material agreements

Except for the transitional service agreements described in section "*Summary of the Demerger—Related arrangements—Transitional Services Agreements*" and the agreement concerning Laania Ltd described below, no agreements have been concluded on the New Lassila & Tikanoja's behalf outside of its ordinary course of business which (i) are material to the New Lassila & Tikanoja and which have been made during the two years immediately preceding the date of this Prospectus, or that (ii) contain obligations or rights which are material to the New Lassila & Tikanoja at the date of this Prospectus.

Shareholders' Agreement regarding Laania Ltd

The New Lassila & Tikanoja has entered into a shareholders' agreement dated 16 December 2021 concerning the ownership and governance of Laania Ltd. The shareholders' agreement is related to the contract signed on 16 December 2021 between the Demerging Company and Neova Oy regarding the combination of renewable energy businesses and the establishment of a joint venture. The joint venture between the Demerging Company and Neova Oy, Laania Ltd, commenced operations on 1 July 2022. The New Lassila & Tikanoja owns 55 per cent of the joint venture, and Neova Oy 45 per cent. However, under the agreement, the owners have joint control over Laania Ltd. Laania Ltd is reported as a joint venture of the New Lassila & Tikanoja.

Under the shareholders' agreement, the New Lassila & Tikanoja has no obligation to provide additional funding to Laania Ltd, whether in the form of equity or debt financing, nor is it required to assume responsibility for Laania Ltd's obligations or liabilities, or to provide guarantees or collateral in respect of such obligations or liabilities. However, the New Lassila & Tikanoja has provided a bank guarantee of EUR 16.5 million on behalf of Laania Ltd. Further information is presented in section "*Operating and Financial Review—Commitments and contingent liabilities*".

Insurance

The New Lassila & Tikanoja maintains customary insurance coverage to cover damages, claims and liabilities potentially arising from the business operated by the New Lassila & Tikanoja. The New Lassila & Tikanoja maintains, among other things, liability insurance, business interruption insurance, property, vehicle and transport insurance, environmental insurance, construction work insurance, travel insurance, product liability insurance and statutory employee insurance. In the view of the Demerging Company's management, the New Lassila & Tikanoja's current insurance coverage is adequate, both in terms of insurance amounts and terms, in order to be able to cover the major risks related to the New Lassila & Tikanoja's business, taking into account the costs of the insurance coverage and the potential risks related to the New Lassila & Tikanoja's business operations. However, as is customary, the insurance coverage includes general limitations, which means that the insurances may not necessarily cover all damage suffered. See also "*Risk factors—Risks* *relating to the New Lassila & Tikanoja's business operations and strategy—The insurance coverage of the New Lassila & Tikanoja may not be sufficient*".

Litigation

The New Lassila & Tikanoja may from time to time become subject to various claims and legal proceedings arising in the ordinary course of its business. As at the date of this Prospectus, there are no administrative, legal or arbitration proceedings against or affecting the New Lassila & Tikanoja or any of its subsidiaries (and no such proceedings are pending or threatened of which the Demerging Company is aware) during a period covering the previous 12 months which have or may have had in the recent past significant effects on the financial position or profitability of the New Lassila & Tikanoja or of the New Lassila & Tikanoja and its subsidiaries taken as a whole.

Regulatory environment

Environmental protection legislation and environmental permits

The New Lassila & Tikanoja produces circular economy services for industrial operators, other business and private customers as well as for the public sector. Receiving, handling and storing ordinary and hazardous waste requires environmental permits under the Finnish Environmental Protection Act (527/2014, as amended, "**EPA**"). Site-specific environmental permits regulate, among other things, maximum quantities and quality of waste fractions, waste treatment methods and emission limit values. Environmental permits are generally valid until further notice. Environmental permit-requiring facilities are supervised by the Centre for Economic Development, Transport and the Environment as well as by municipal environmental protection authorities.

As operators approved in the Finnish Waste Management Register, the New Lassila & Tikanoja's operational subsidiaries L&T Ympäristöpalvelut Oy and L&T Teollisuuspalvelut Oy must have authority approval for waste transport and brokerage, as required under the Waste Act. For transport of animal by-products, L&T Ympäristöpalvelut Oy must have authority approval according to the by-products regulation ((EC) No 1069/2009, as amended, the "**Animal by-products Regulation**"), in addition to which transfer loading stations that receive by-products for intermediate storage from sources other than households, restaurants and retail stores must be approved as intermediate establishments. As at the date of this Prospectus, L&T Teollisuuspalvelut Oy additionally has four permits in force for international waste shipments. So-called green waste fractions, that meet the requirements under the Waste Shipment Regulation ((EU) No 2024/1157, as amended, the "**Waste Shipment Regulation**") can be shipped internationally through a lighter procedure.

Waste legislation

A comprehensive reform of the Waste Act entered into force on 19 July 2021. The Finnish Government Decree on Waste (978/2021), the Packaging Waste Decree (1029/2021), and other Government Decree amendments supplementing the Waste Act entered into force on 1 December 2021. The reforms implemented the EU recycling targets for municipal waste and packaging waste into Finnish legislation.

Several green transition initiatives are underway within the EU, which would shift regulation to the upstream of the value chain and impose product-specific requirements on the durability and reliability, reusability, upgradability, reparability, the presence of hazardous substances and recycled material content of products. One of the goals of the new European Commission is to create a stronger circular economy-based economy, and the New Lassila & Tikanoja's management assesses that reforms in the EU's circular economy policy will also create new opportunities for the New Lassila & Tikanoja, particularly as the European internal market for secondary raw materials develops. However, the changed geopolitical situation is emphasised in the new European Commission's objectives and work programme, and the EU's competitiveness has been placed at the core of the European Commission's economic programme.

According to the Waste Framework Directive (2008/98/EC, as amended, the "**Waste Directive**"), 55 per cent of municipal waste must be recycled in 2025, 60 per cent in 2030 and 65 per cent in 2035. Packaging waste recycling targets are also raised, and by 31 December 2030 at the latest, at least 70 per cent of the weight of all packaging waste must be recycled according to the EU Packaging and Packaging Waste Directive (94/62/EC, as amended, the "Packaging Waste Directive"). In addition, material-specific recycling targets have been set for different packaging waste. The Packaging Waste Directive will be largely repealed on 12 August 2026 by the EU Packaging and Packaging Waste Regulation ((EU) 2025/40, as amended, the "**Packaging Waste Regulation**") enacted on 19 December 2024, which sets corresponding packaging waste recycling targets.

The Waste Act reform strengthened the role of municipalities in organising the collection of packaging materials from residential properties. Going forward, municipalities tender and organise the collection of separately collected packaging waste from residential properties throughout Finland, whereby the New Lassila & Tikanoja's direct customer contracts with residential properties concerning separate collection of packaging waste, were transferred to municipalities for tendering in phases between 1 July 2022 and 1 July 2025. The role of municipalities in collecting mixed household waste and biowaste is also expected to increase in the coming years. As a consequence of municipalisation, the Demerging Company has assessed that approximately EUR 30 million will be transferred from free competition on the Finnish waste management market to municipal corporations between 2024 and 2026. The New Lassila & Tikanoja will participate in municipal contract tenders and is a significant actor in municipal contracts. However, the Demerging Company has assessed that the overall impacts of the changes that entered into force on 19 July 2021 to be negative for the New Lassila & Tikanoja.

According to the Finnish government's programme in force as at the date of this Prospectus, the Finnish waste regulation is to be reformed in three parts and preparations were begun during 2024. The changes in the first part were approved by the Finnish parliament in December 2024, and the changes will take effect as of 1 January 2026. The changes encompass the exclusion of waste management of waste generated at social and health care companies', and welfare areas' premises, from the municipality's organisational responsibility. Prisons, the defence forces' garrisons and other institutional housing units were also excluded from municipal responsibility. Household properties and leisure properties remained under municipal responsibility. One of the objectives of the first part changes was to limit municipal responsibility and at the same time open up municipal waste management to increased competition between waste management companies.

The objective of the changes in the second part is to implement changes to provisions concerning competitive neutrality in municipal waste management, taking into account the objectives in the government programme of clarifying municipalities' secondary waste management responsibility. It is currently estimated that the government proposals will be brought before parliament in 2026, and that entry into force would take place after 2026.

In the third part of the Waste Act reform, the intention is to implement a comprehensive reform of the Waste Act by enacting a new Circular Economy Act. This reform aims to more broadly improve the operating conditions of the circular economy by strengthening the primacy of recycling and reuse, and limiting waste incineration by, among other things, strengthening the regulatory life cycle perspective. The reform also aims to clarify the interfaces between chemical and product regulation in conjunction with waste regulation and to implement other government programme items related to circular economy.

At the date of this Prospectus, there is no certainty about the final content of the second and third parts of the changes to the Waste Act or of the effects on the New Lassila & Tikanoja's business. Based on available information, the Demerging Company has assessed that the reforms to the Waste Act, if implemented, would improve the New Lassila & Tikanoja's commercial conditions and more broadly promote the development of private waste service markets in Finland. The municipal and packaging waste recycling targets set by the Waste Directive and the Packaging and Packaging Waste Directive (the Packaging and Packaging Waste Regulation as of 12 August 2026) may also increase demand for the New Lassila & Tikanoja's recycling services and increase demand for secondary raw materials.

Public Procurement Act

New Lassila & Tikanoja also produces waste management services for the public sector. The importance of public procurement for New Lassila & Tikanoja's business and industries is significant and growing. The objective of the government programme in force as at the date of this Prospectus is to increase efficiency in public procurement and increase companies' conditions to participate in public sector tender competitions. To achieve the objectives, there is an ongoing reform of the Finnish Public Procurement Act (1397/2016 as amended, "**Public Procurement Act**"), the purpose of which is to promote market functioning, increase competition and competitive neutrality as well as increase security of supply.

The Public Procurement Act would be proposed to be amended, among other things, by limiting the public sector's possibilities to produce support services in in-house units where there is a functioning market, such as in waste management services. The Public Procurement Act would also include a ten per cent minimum ownership requirement for ownership of an affiliated entity, taking into account the general interest, the purpose of which is to limit procurement units' possibilities to circumvent the Public Procurement Act with the help of affiliated entities.

In the Demerging Company's view, the waste management sector is intended to be excluded from the 10 per cent minimum ownership requirement, and the promotion of competitive conditions in waste management will be addressed through the second part of the aforementioned Waste Act reform.

The Demerging Company has assessed that the Public Procurement Act reforms would improve the New Lassila & Tikanoja's business conditions and more broadly promote the development of private service markets in Finland.

The government proposal is expected to be presented to Parliament at the end of November 2025.

OPERATING AND FINANCIAL REVIEW

The following review of the New Lassila & Tikanoja's results of operations and financial position should be read in conjunction with "Certain Matters—Presentation of Financial and Certain Other Information" and the New Lassila & Tikanoja's Carve-out financial statements and the New Lassila & Tikanoja's unaudited carve-out financial information as at and for the nine months ended 30 September 2025, including unaudited comparative financial information as at and for the nine months ended 30 September 2024, included in the F-pages to this Prospectus. Except where explicitly otherwise mentioned, the financial information presented below represents the historical results of operations and the financial position of the New Lassila & Tikanoja prepared on a carve-out basis from the Demerging Company's consolidated financial statements during the periods discussed without taking into consideration any arrangements made in relation to the Demerger.

The following review contains forward-looking statements, which are subject to risks and uncertainties. The actual results of the New Lassila & Tikanoja may deviate considerably from those contained in such forward-looking statements as a result of factors discussed below and elsewhere in this Prospectus, particularly in the sections "Certain Matters—Forward-Looking Statements", "Risk Factors" and "Operating and Financial Review—Key Factors Affecting the Results of Operations".

Overview

The New Lassila & Tikanoja's task is to keep its customers' materials efficiently in circulation at the highest possible refining rate. The New Lassila & Tikanoja also develops ways to effectively utilise the side streams of industry and society according to the principles of the circular economy and restores land areas. The New Lassila & Tikanoja's services also include process cleaning and sewer maintenance services. The New Lassila & Tikanoja promotes circularity through a diverse range of recycling, waste management and industrial services.

The New Lassila & Tikanoja's net sales on a carve-out-basis amounted to EUR 315.5 million for the nine months ended 30 September 2025 and EUR 423.9 million for the financial year ended 31 December 2024. The operating profit on a carve-out-basis was EUR 30.0 million for the nine months ended 30 September 2025. The operating profit on a carve-out-basis was EUR 40.5 million for the financial year ended 31 December 2024.

The New Lassila & Tikanoja operates in Finland and Sweden and has sites in several localities, with its head office situated in Helsinki, Finland. The New Lassila & Tikanoja had a total of 2,337 employees on a carve-out basis as at 30 September 2025.

Key Factors Affecting the Results of Operations

Pursuant to the Demerger Plan, all assets, debts and liabilities of the Demerging Company relating to the Circular Economy Business Area or mainly serving the Circular Economy Business Area of the Demerging Company shall be transferred without a liquidation procedure to the New Lassila & Tikanoja. The results of operations of the New Lassila & Tikanoja have been and are expected to continue to be affected by a number of factors that are either mainly outside the New Lassila & Tikanoja's sphere of influence, i.e., external, or within the New Lassila & Tikanoja's sphere of influence, i.e., internal. A non-exhaustive list of key factors affecting the New Lassila & Tikanoja's results of operations during the period covered by the historical financial information has been included below. These factors may also affect the New Lassila & Tikanoja's results of operations in the future. The order of presentation of the factors is not intended to reflect the significance of each factor. Key factors affecting the New Lassila & Tikanoja's result of operations, include, but are not limited to, the following:

- general macroeconomic conditions;
- trends related to the circular economy, sustainable development and the industry;
- demand for services;
- competitive environment;
- availability and price of fuel;
- availability of skilled workforce;
- service offering distribution;
- regulatory changes;

- innovations;
- investments;
- operational improvements;
- acquisitions and other corporate arrangements; and
- the Demerger.

General macroeconomic conditions

As a provider of circular economy services and solutions, the New Lassila & Tikanoja's business, growth potential and results of operations are affected by changes in macroeconomic conditions and geopolitical events. Economic recession or depression in Finland or Sweden and uncertainty prevailing on the financial markets in the EU, the United States and elsewhere in the world may adversely affect the New Lassila & Tikanoja's business in a number of ways, including the demand for its order-based services, net sales, results and cash flow and especially high inflation levels may cause an increase in the New Lassila & Tikanoja's personnel costs and other operational costs.

The New Lassila & Tikanoja's customers' purchasing behaviour is related to the general level of economic activity in its customers' various industries and to other factors beyond the New Lassila & Tikanoja's control. For example, the need for industrial cleaning may decrease if the New Lassila & Tikanoja's customers' industrial production decreases, whereby cleaning is needed less or less frequently. In addition, in a weakened economic situation, the New Lassila & Tikanoja's customers' economic activity is lower, whereby the New Lassila & Tikanoja's recycled material sales decrease and there is generally also less demand for remediation and recycling services and solutions. Customers may also delay new projects or reduce the utilization rate of services during economic downturns. However, the New Lassila & Tikanoja's demand-driven service-based business model, in which customer needs related to, for example, waste collection and management are continuous, is expected to bring stability and resilience in unstable economic environments. Nevertheless, reduced consumption and economic activity resulting from economic instability may negatively affect the sales of the New Lassila & Tikanoja's services and solutions, which in turn may negatively affect the New Lassila & Tikanoja's results of operations.

Trends related to the circular economy, sustainable development and the industry

The circular economy industry in which the New Lassila & Tikanoja operates is currently undergoing a major transformation driven by the sustainable development trend. In the view of the New Lassila & Tikanoja's management, the New Lassila & Tikanoja's customers face increasing pressure from both stakeholders and tightening environmental requirements and regulation to take climate change and biodiversity loss into account in their operations and industries. As customers in the New Lassila & Tikanoja's markets seek to reduce the emissions of their operations, the demand for zero or low-emission services and solutions is estimated to grow. The recycling and reuse of materials and waste are rising trends, to the implementation of which the New Lassila & Tikanoja is committed.

The New Lassila & Tikanoja has a comprehensive nationwide presence throughout Finland and Sweden. The New Lassila & Tikanoja's extensive operating network includes approximately 1,200 vehicles and 174,000 work sites[70]. This infrastructure enables fast and efficient customer service, which improves customer satisfaction and creates long-term customer relationships. The New Lassila & Tikanoja's ability to be physically close to its customers supports its competitiveness and enables the provision of tailored waste management solutions that respond to diverse needs. The New Lassila & Tikanoja has capabilities to process and recycle all essential waste streams, which is a key advantage in its operations. At the date of this Prospectus, the New Lassila & Tikanoja has 53 treatment and recycling facilities. In 2024, the New Lassila & Tikanoja managed a total of approximately one million metric tonnes of waste. This capacity gives the New Lassila & Tikanoja broad access to different waste fractions and enables the development of new solutions that improve waste treatment and recycling. The New Lassila & Tikanoja owns approximately 80 per cent of the waste it manages, which it can sell forward as recycled, offering a significant competitive advantage.

Demand for services

Changes in demand in the New Lassila & Tikanoja's customer industries may affect its operations and market position. Such changes may relate to, for example, general economic conditions, changes in customer companies' strategies, innovative technologies, regulation, digitalization, climate change or other environmental factors. The New Lassila & Tikanoja's industry is therefore not immune to economic fluctuations, which may affect the New Lassila & Tikanoja's

[70] Individual sites where New Lassila & Tikanoja provides services to its customers. Does not include municipal contracts. Includes residential customers for whom the responsibility for organising waste management is increasingly shifting to municipalities due to municipalisation.

results of operations. The New Lassila & Tikanoja serves a diverse and committed customer base with high customer satisfaction. The New Lassila & Tikanoja has approximately 22,000 corporate customers in various industries. Because the New Lassila & Tikanoja has a broad and diversified customer base, it is not dependent on certain customers. In 2024, approximately 84 per cent of the New Lassila & Tikanoja's net sales consisted of regular services. The New Lassila & Tikanoja's broad service offering and a nationwide network are significant selection factors for customers. In addition, the New Lassila & Tikanoja's high-quality, diverse and cost-effective services and solutions strengthen its market position.

The demand for the New Lassila & Tikanoja's services is also partly based on the New Lassila & Tikanoja's innovativeness and sustainability. The New Lassila & Tikanoja's service offering is based on sustainable development solutions and the circular economy, for which demand and the market are growing in Finland and Sweden. The demand for carbon neutrality solutions is believed to grow significantly due to the desire of actors across various industries to achieve their sustainability targets. Emission-free or other low-emission solutions are central to the New Lassila & Tikanoja in achieving its own sustainability targets. Industry trends affecting New Lassila & Tikanoja's customers and operating environment are described in more detail in section "*Market and Industry Review—Market trends and growth drivers*". The New Lassila & Tikanoja is well positioned to respond to the industry's growing demand for sustainable services across all its business lines. Management estimates that the rise in sales of carbon-neutral and low-emission services and solutions may have a significant impact on the New Lassila & Tikanoja's financial position.

Competitive environment

The New Lassila & Tikanoja operates in the competitive circular economy market. The New Lassila & Tikanoja's expertise in sorting and recycling, combined with expertise in regulation and recycling technologies, gives it the opportunity to create competitive solutions in an evolving market and regulatory environment, and established customer relationships and a strong brand enable efficient response to changing market requirements. In order for the New Lassila & Tikanoja to be able to compete successfully, its services and solutions must be sustainable and excellent in terms of quality, reliability, productivity, price, features, innovativeness and safety.

The New Lassila & Tikanoja's ability to offer diverse solutions and services to its customers helps it in its efforts to maintain a leading position in the market. In some business lines, the New Lassila & Tikanoja's competitors have a stronger market position and financial and other resources than the New Lassila & Tikanoja. This may allow them to devote greater resources to development, sales and marketing or expansion, which in turn may further strengthen their position in the market. In recent years, the New Lassila & Tikanoja's competitors have executed significant acquisitions and there are also new international competitors in the market, as a result of which price competition has increased in some areas. Other operators may also have different ownership strategies and/or yield expectations, which may further intensify regional price competition in the future and put pressure on the New Lassila & Tikanoja's profitability. For international infrastructure investors, lower return on capital expectations may, for example, enable more aggressive growth. The competitive environment and the New Lassila & Tikanoja's market position have been described in more detail in the section "*Market and Industry Review—Competitive landscape*".

Availability and price of fuel

The New Lassila & Tikanoja uses approximately 15 million litres of diesel fuel annually in its service production, along with increasing volumes of biogas. Accordingly, the availability and price levels of fuels significantly affect the New Lassila & Tikanoja's results of operations. Delays or restrictions in delivery of fuels needed by the New Lassila & Tikanoja may lead to delays in the services that the New Lassila & Tikanoja provides to its customers. The New Lassila & Tikanoja is not significantly dependent on individual suppliers, but fluctuations in fuel prices, for example as a result of inflation, may negatively affect the New Lassila & Tikanoja's financial result.

Availability of skilled workforce

The New Lassila & Tikanoja had a total of approximately 2,337 employees in Finland and Sweden on a carve-out basis as at 30 September 2025. Employee benefit expenses are the largest single expense item for New Lassila & Tikanoja. Carve-out-based employee benefit expenses totalled EUR 140.3 million for the financial year ended 31 December 2024 (EUR 137.0 million for the financial year ended 31 December 2023 and EUR 129.6 million for the financial year ended 31 December 2022), and EUR 106.4 million for the nine months period 30 September 2025. Wages, salaries and bonuses accounted for EUR 115.4 million of the employee benefit expenses in the financial year ended 31 December 2024. Employee benefit expenses represented 33.1 per cent of net sales on a carve-out basis for the financial year ended 31 December 2024. The New Lassila & Tikanoja's business is dependent on the work contribution of its senior management and key personnel as well as other skilled personnel and the continuation of the employment relationships of such persons. Operational performance depends on the New Lassila & Tikanoja's ability to identify, attract, develop, motivate and retain trained professionals. The New Lassila & Tikanoja recruits employees with the qualifications, technical expertise and industry knowledge it needs from a limited pool of potential employees for which it competes with other employers. Workforce availability and turnover challenges could hamper the New Lassila & Tikanoja's service production or prevent it from growing or developing its business.

Service offering distribution

The New Lassila & Tikanoja offers a wide range of circular economy services to its customers. The distribution of the New Lassila & Tikanoja's service offering may affect its results of operations. The New Lassila & Tikanoja's service offering is presented in more detail in the section "*Business of the New Lassila & Tikanoja—Business Operations—Business Lines*". Possible changes in the distribution of the service offering may result from, for example, strategic expansion in the material chain and material value, geographical expansion or increasing market shares in certain business lines, as well as possible changes in the emphasis between the New Lassila & Tikanoja's services due to, for example, significant growth of individual services or changes in customer demand. The profitability levels across the New Lassila & Tikanoja's service offering are largely consistent between different services, which reduces the impact of changes in the distribution on business performance. The New Lassila & Tikanoja has identified opportunities to grow profitably in its core markets, for example by expanding the service network, developing the service range and methods, as well as by targeted growth in selected customer segments. The growth of the Circular Economy Business Area in Sweden, primarily through acquisitions, is also a key part of the New Lassila & Tikanoja's growth strategy. Additional information is presented in "*Business of the New Lassila & Tikanoja—Strategy*".

Regulatory changes

The New Lassila & Tikanoja operates in the growing circular economy market, the size of which was estimated to total approximately EUR 8.7 billion[71] in 2024, and which is expected to grow by an average of approximately 3 per cent annually until 2029. The growth of the circular economy market is partly based on tightening environmental requirements that necessitate the efficient return of waste and side streams to reuse. In addition, in Finland, municipalities have an increasingly greater responsibility for waste management, which in turn may negatively affect the New Lassila & Tikanoja's opportunities to offer its services and solutions, as waste management and circular economy decisions may not necessarily be made on market terms. The New Lassila & Tikanoja still has service contracts with housing companies and other residential properties, the arrangement of which is gradually transferred to municipalities. The New Lassila & Tikanoja's management estimates that the municipalisation of waste management has a negative overall impact on the New Lassila & Tikanoja's business, even though it actively participates in municipal contract tenders and is a significant operator in municipal contracts. As a result of municipalisation, price competition may intensify, which in turn may lead to the New Lassila & Tikanoja not being able to maintain the current profitability level of services and solutions. However, as at the date of this Prospectus, there is no certainty about how all the waste legislation reform initiatives that are under preparation will materialise in practice. Additional information about regulation is presented in the section "*Business of the New Lassila & Tikanoja—Regulatory environment*".

Innovations

The New Lassila & Tikanoja's future growth and success depend on its ability to identify and respond to changes in customers' needs and to market services and solutions in changing markets. The New Lassila & Tikanoja has for years been developing services and solutions that help its customers operate more sustainably and reduce their carbon footprint. For example, the blast cleaning method developed by the New Lassila & Tikanoja for industrial needs has been granted a European unitary patent. Blast cleaning accelerates maintenance during shutdowns and reduces mechanical wear and corrosion risk in boilers, while generating no waste requiring separate disposal. The New Lassila & Tikanoja's expertise in sorting and recycling, combined with expertise in regulation and recycling technologies, enables it to create competitive solutions in a developing market and regulatory environment. This makes the New Lassila & Tikanoja a valuable partner for many customers that need sustainable and reliable solutions.

Ensuring sufficient development resources is critical for the New Lassila & Tikanoja to respond to customers' evolving requirements and preferences. The development and commercialisation of new technologies and changes related to, for example, waste sorting, collection and treatment create opportunities to develop and expand the current service offering. The New Lassila & Tikanoja continuously focuses on the development of new solutions, which not only improves its service capability but also promotes future growth opportunities. The New Lassila & Tikanoja has identified significant potential in recycling waste into new material or new product. In the medium term, the Finnish waste-to-material market potential is estimated to be approximately EUR 1.1 billion and the Finnish waste-to-product market potential is estimated to be approximately EUR 2.2 billion.

[71] Combined markets of Finland and Sweden. Also includes the Swedish waste management and recycling market (EUR 4.8 billion in 2024) and the Swedish hazardous waste and remediation market (EUR 1.0 billion in 2024), in which the New Lassila & Tikanoja has no operations as at the date of this Prospectus.

Investments

The most significant part of the New Lassila & Tikanoja's cash flow from investing activities consists of investments in intangible assets and tangible assets. The New Lassila & Tikanoja extensively uses conventional equipment in its business as well as specialised equipment and thus continuous investments in machinery and equipment are necessary for the New Lassila & Tikanoja's operations. Key machinery and equipment used in the New Lassila & Tikanoja's business and that are owned by it include waste compactors, waste trucks and hook devices, trucks and platforms, recycling facility machinery and processing lines, vacuum trucks, excavators as well as other specialised equipment for industrial cleaning. See also "*Business of the New Lassila & Tikanoja—Machinery and equipment*" above. The New Lassila & Tikanoja is gradually transitioning to low-emission and emission-free equipment, which significantly increases the use of renewable energy and requires investments in, among other things, new vehicles and new equipment as well as related infrastructure.

After the Demerger, the New Lassila & Tikanoja will finance its investments primarily with business cash flow as well as bank loans. The New Lassila & Tikanoja's purchases of intangible assets and property, plant and equipment totalled EUR 41.2 million on a carve-out basis for the financial year ended 31 December 2024 (EUR 42.9 million for the financial year ended 31 December 2023 and EUR 29.7 million for the financial year ended 31 December 2022) and EUR 15.0 million for the nine months ended 30 September 2025. The largest investments have been made in tangible assets, mainly in machinery and equipment and buildings. The New Lassila & Tikanoja will continue its investments to support strategic business growth from the 2024 level. Additional information about investments is presented in "*Business of the New Lassila & Tikanoja—Investments*" above.

Operational improvements

In the coming years, the New Lassila & Tikanoja will strongly focus on developing its services. The goal is to integrate deeper into customers' processes and operating models through service development. Services and operations are continuously developed, so that customers can be served as flexibly and efficiently as possible. In addition, the New Lassila & Tikanoja aims to continue to develop its own personnel and recruit necessary expertise.

Acquisitions and other corporate arrangements

As part of its strategy, the New Lassila & Tikanoja targets profitable growth both organically and by acquisitions. The New Lassila & Tikanoja may in the future pursue growth by making various transactions, such as acquiring companies, assets, products and services, making strategic investments and entering into other similar arrangements.

During its previous operating history, the New Lassila & Tikanoja has effected various corporate arrangements (additional information is presented in the section "*Business of the New Lassila & Tikanoja—History*"), which have provided the New Lassila & Tikanoja with new specialised expertise and capabilities as well as complemented the New Lassila & Tikanoja's service offering and the geographical coverage of its business. For example, in the first quarter of 2022, the New Lassila & Tikanoja's industrial services expanded to the Swedish process cleaning market by acquiring a 70 per cent stake in SVB. In 2022, L&T Biowatti Oy, owned by the New Lassila & Tikanoja, and Neova Oy's energy wood businesses in Finland and Estonia merged into Laania Ltd, which has since been reported as a joint venture using the equity method instead of as a consolidated subsidiary.[72] The change also led to a decrease in the New Lassila & Tikanoja's reported net sales. In October 2023, the Demerging Company's board approved an updated strategy, according to which the Demerging Company's Environmental Services and Industrial Services divisions seek new growth by investing particularly in business solutions related to the circular economy of materials. According to the updated strategy, growth is sought by developing business operations and possibly through complementary acquisitions in Finland and Sweden. In 2024, the New Lassila & Tikanoja purchased the remaining 60 per cent of the share capital of Suomen Keräystuote Oy and strengthened its Waste treatment and recycling business line by acquiring Stena Recycling's pallet business in a transaction that was completed in June 2025.

In the evaluation of acquisition targets, the focus is on the compatibility of the acquisition targets with the New Lassila & Tikanoja's service offering, strategy and values, synergies with existing business, risks related to the acquisition as well as the profitability of the target's business. The competence base of the acquisition target's personnel as well as the opportunity to engage the target's key personnel as part of the New Lassila & Tikanoja's business are also important factors in the evaluation. The New Lassila & Tikanoja seeks to manage risks related to corporate transactions and corporate arrangements through agreements, strategic and financial analysis of acquisition targets, due diligence reviews and well-planned and efficient integration. Additional information about corporate arrangements and related risk factors is presented in the section "*Risk factors—Risks relating to the New Lassila & Tikanoja's business operations and*

[72] The investment in Laania Ltd has been accounted for using the equity method of accounting in the New Lassila & Tikanoja Carve-out financial statements, and the share of Laania Ltd's profit or loss has been presented in the line item "Share of the result of associated companies and joint ventures". Consequently, the business of L&T Biowatti Oy has not been consolidated in the New Lassila & Tikanoja Carve-out financial statements as a subsidiary after 30 June 2022.

strategy—The New Lassila & Tikanoja's merger and acquisition activities expose the New Lassila & Tikanoja to various risks that may have an adverse effect on its business operations".

Demerger

The New Lassila & Tikanoja has not in the past formed a standalone legal group. The historical carve-out financial information of the New Lassila & Tikanoja do not fully reflect the New Lassila & Tikanoja's operations as a standalone entity. The New Lassila & Tikanoja's Carve-out financial statements have been prepared on a carve-out basis from the Demerging Company's audited consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to the New Lassila & Tikanoja's business. The carve-out financial information for the nine months ended 30 September 2025 has been prepared on a carve-out basis from the Demerging Company's unaudited consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to the New Lassila & Tikanoja's business. The Carve-out financial statements also include certain allocations and adjustments which involve management assumptions and estimates.

For the purposes of the preparation of the Carve-out financial statements and the carve-out financial information, a portion of the shared costs of the Demerging Company's management and group functions has been allocated to the New Lassila & Tikanoja. The allocated shared costs relate, for example, to group management, the Board of Directors, information management, sustainability, finance, treasury, legal and human resources, indirect procurement, properties, risk management and communications. The New Lassila & Tikanoja may, according to management's estimates, incur additional annual costs following the Effective Date from operating as an independent listed company and from organising the group functions as compared to the costs allocated to the New Lassila & Tikanoja in the carve-out financial statements for the financial year ended 31 December 2024, but the New Lassila & Tikanoja's management estimates that the amount of additional costs will not significantly differ from the costs allocated in the carve-out financial statements. There can be no assurance that the management's estimate of the additional costs would correspond to the actual costs incurred on an annual basis by the New Lassila & Tikanoja from operating as an independent listed company and from organising the group functions following the Effective Date. Furthermore, the New Lassila & Tikanoja will continue to implement its efficiency measures to efficiently manage standalone cost levels following the Effective Date.

As a consequence of the Demerger, the New Lassila & Tikanoja's financing structure, presented in the carve-out financial information, will change from internal financing through the Demerging Company to external financing. The New Lassila & Tikanoja's net interest-bearing liabilities as at 30 September 2025 were EUR 161.9 million on a pro forma basis. See "*Unaudited Pro Forma Financial Information*" for further details on the effects of the Demerger. The Demerger is described in more detail in "*Summary of the Demerger*".

Recent events

There has not been any significant change in the financial results or position of the New Lassila & Tikanoja between 30 September 2025, and the date of this Prospectus.

Carve-out financial information and factors affecting comparability

Basis of Preparation of Carve-out Financial Information

The Carve-out financial statements have been prepared for inclusion in this Prospectus which is prepared by the Demerging Company on behalf of the New Lassila & Tikanoja for approval of the Demerger Plan by the Extraordinary General Meeting and for issuing the Demerger Consideration Shares to the Demerging Company's shareholders and listing the Shares on the official list of Nasdaq Helsinki. The Carve-out financial statements of the New Lassila & Tikanoja have been prepared by combining the historical carrying amounts of income, expenses, assets, liabilities and cash flows attributable to the legal entities forming the New Lassila & Tikanoja, as included in the consolidated financial statements of the Demerging Company. Accordingly, income, expenses, assets, liabilities and cash flows that are directly attributable or allocable to, or that will transfer to, the New Lassila & Tikanoja have been included in the Carve-out financial statements. In addition, the Carve-out financial statements include certain allocations from the Demerging Company's group, including income, expenses, assets, liabilities and cash flows of the Demerging Company that are either transferred to the New Lassila & Tikanoja or have been allocated to it for the purpose of preparing these Carve-out financial statements.

The Carve-out financial statements of the New Lassila & Tikanoja included in the F-pages of this Prospectus have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union with consideration of the principles described in the notes to the Carve-out financial statements included in the F-pages of this Prospectus and in section "*—Carve-out Principles Applied in Preparing the New Lassila & Tikanoja's Carve-out Financial Information*", according to which the assets and liabilities, income and expenses, and cash flows attributable to the New Lassila & Tikanoja have been measured.

As IFRS Accounting Standards do not provide specific guidance on the preparation of carve-out financial statements, certain procedures commonly used in the preparation of historical financial information have been applied in compiling the Carve-out financial statements included in the F-pages of this Prospectus. These carve-out accounting conventions are described below and in the notes to the Carve-out financial statements included in the F-pages of this Prospectus. In addition, to the application of the specific carve-out conventions impacting the presentation of the carve-out financial information, the areas involving a high degree of management judgement or estimates and assumptions are discussed in section "*—Management estimates and assumptions requiring judgement*" below.

The Carve-out financial statements may not necessarily reflect the combined results of operations and financial position that the New Lassila & Tikanoja would have had if it would have operated as a standalone legal group from 1 January 2022 and prepared standalone consolidated financial statements for the years 2022–2024. Nor do the Carve-out financial statements necessarily indicate the future results of operations, financial position or cash flows of the New Lassila & Tikanoja.

The carve-out financial statements have been prepared on a going concern basis and using historical acquisition costs, except for contingent considerations related to business combinations, which are measured at their probable realisation value.

The Carve-out financial statements include the assets, liabilities, income, expenses and cash flows of the following legal entities forming the New Lassila & Tikanoja group and the business operations related to the New Lassila & Tikanoja:

The New Lassila & Tikanoja's group companies	Country	Inclusion from	Inclusion until
Domestic group companies			
L&T Ympäristöpalvelut Oy	Finland		
L&T Teollisuuspalvelut Oy	Finland		
Suomen Keräystuote Oy	Finland	1 July 2024	
Sihvari Oy	Finland		9 June 2023
Turun Seudun Hyötykuljetus Oy	Finland		1 August 2023
L&T Biowatti Oy[1)]	Finland		1 July 2022
Foreign group companies			
Sand & Vattenbläst i Tyringe AB	Sweden	1 February 2022	
Cisternservice i Hässleholm AB	Sweden	1 February 2022	30 December 2024
PF Industriservice AB	Sweden	1 February 2024	30 December 2024
Joint ventures			
Laania Ltd[1)]	Finland	1 July 2022	
Businesses related to the New Lassila & Tikanoja from the following companies			
Demerging Company[2)], parent company of the Demerging Company's group	Finland		
Hankinta Ky[2)]	Finland		

[1)] Information regarding the joint venture and the sale of L&T Biowatti Oy's net assets to the joint venture is presented in the notes to the Carve-out financial statements included in the F-pages of this Prospectus under note 3.5 Other non-current assets and note 5.4 Business disposals and assets and liabilities classified as held for sale.
[2)] The assets, liabilities, income and expenses and cash flows attributable to the New Lassila & Tikanoja's business operations originating from the Demerging Company and Hankinta Ky, which was part of the Demerging Company's group. Hankinta Ky was liquidated in December 2023.

The Circular Economy Business Area transferring to the New Lassila & Tikanoja has been managed as separate operating segments of the Demerging Company (Environmental Services and Industrial Services) until the end of 2024. As of the beginning of 2025, Environmental Services and Industrial Services formed the new Circular Economy Business Area in the Demerging Company's group, which forms an independent reportable segment.

The Carve-out financial information is presented in millions of euros, unless otherwise indicated. All figures presented have been rounded which may cause, for example, the sum of individual figures to deviate from the presented total sum. The percentages presented are based on calculations using unrounded figures and therefore may not exactly match the percentages that would result from calculations based on rounded figures.

Carve-out Principles Applied in Preparing the New Lassila & Tikanoja's Carve-out Financial Information

General

The Carve-out financial statements included in the F-pages of this Prospectus include allocated income, expenses, assets, liabilities and cash flows, the allocation of which is based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of costs arising from certain centrally provided services, lease arrangements, shared assets, cash management and financing, the determination of taxes based on taxable income for the period and deferred taxes, as well as invested equity. The New Lassila & Tikanoja does not have any material recurring operational business relationships with the remaining Demerging Company's group.

The management of the Demerging Company considers that the allocations made in the preparation of the Carve-out financial statements have been made on a reasonable basis, but they may not necessarily reflect the income and expenses that would have arisen had the New Lassila & Tikanoja operated as a standalone group and prepared its own consolidated financial statements for the periods presented.

Intra-Group Transactions and Related-Party Transactions

Transactions and balances between the entities forming the New Lassila & Tikanoja included in the Carve-out financial statements included in the F-pages of this Prospectus have been eliminated. Transactions and statement of financial position items between the New Lassila & Tikanoja and the remaining Demerging Company's group, which were considered intra-group transactions in the consolidated reporting of the Demerging Company, have been treated as related party transactions in the Carve-out financial statements.

Intercompany items of the Demerging Company against the New Lassila & Tikanoja group companies have been allocated to the New Lassila & Tikanoja in the preparation of the Carve-out financial statements and eliminated as intercompany items between the New Lassila & Tikanoja and other New Lassila & Tikanoja group companies, except for cash pool receivables of the New Lassila & Tikanoja group companies from the Demerging Company from and cash pool liabilities of the New Lassila & Tikanoja group companies to the Demerging Company and related internal interest income and expenses. These items have been treated as related party transactions in the Carve-out financial statements. In the Demerger, the cash pool receivables and liabilities of the Demerging Company from the New Lassila & Tikanoja group companies will transfer to New Lassila & Tikanoja, after which they will be eliminated in the consolidated financial statements prepared following the completion of the Demerger.

The carrying amounts of the shares in the subsidiaries owned by the Demerging Company and transferred to New Lassila & Tikanoja in the Demerger have been allocated to the New Lassila & Tikanoja in the Carve-out financial statements. The acquisition method has been applied to eliminate the acquisition cost of the subsidiaries.

Centrally Provided Services

The Demerging Company has been responsible for the management and general administration of the Demerging Company's group. In addition, the Demerging Company has provided various centrally delivered services to its subsidiaries. In preparing the Carve-out financial statements of the New Lassila & Tikanoja, income and expenses directly attributable to the New Lassila & Tikanoja, or certain historical transactions related to it, have been allocated to the New Lassila & Tikanoja in accordance with the allocation principle, meaning that the allocation follows the origin and nature of the costs.

Historically, the Demerging Company has directly charged its subsidiaries for internal and external costs incurred for services performed on their behalf, as well as a share of common operational costs through management fees. Such services include, among others, IT, finance and treasury, human resources and legal, indirect procurement, properties, risk management and communications. Certain costs incurred by the Demerging Company's group's parent company, such as insurance premiums, have historically been invoiced directly to the subsidiaries. These aforementioned costs have been included in the Carve-out financial statements based on the amounts historically charged.

The Demerging Company's group has historically incurred costs related to strategic group-level projects or business restructurings that were not allocated or charged to subsidiaries. These costs have been allocated to the New Lassila & Tikanoja in the Carve-out financial statements if the related business operations are transferred to it.

The Demerging Company's group has also historically incurred certain costs related to operating as a listed company. These costs include board expenses and part of the costs related to group management, strategy, human resources, legal affairs, financial administration, communications and investor relations, as well as IT. These listing-related costs represent group-level expenses that were historically unallocated or uncharged. In the Carve-out financial statements, a portion of these costs has been allocated to the New Lassila & Tikanoja to reflect the business-related expenses, using an allocation key appropriate to each cost, such as revenue or headcount. Management considers these allocation bases to be appropriate.

The Demerging Company's management believes that the allocations reasonably reflect the use of centrally provided services. These allocated costs have been influenced by arrangements in place within the Demerging Company's group and may not necessarily reflect the future situation in the New Lassila & Tikanoja.

For further information on the allocation of centrally provided service costs to the carve-out financial information, please refer to the notes to the Carve-out financial statements included in the F-pages of this Prospectus.

Shared Assets, Liabilities and Lease Arrangements with the Demerging Company's Operations

Lease agreements under which the New Lassila & Tikanoja or its group companies have control or under which the New Lassila & Tikanoja group has been the primary user, and which will transfer to the New Lassila & Tikanoja in the Demerger, have been presented as leases in the Carve-out financial statements.

Historically, the New Lassila & Tikanoja and the remaining Demerging Company's group have operated in shared leased premises and offices in certain locations. For these premises, the legal lessee has charged the other entities using the premises a proportionate share of the costs based on usage. For premises where the New Lassila & Tikanoja or its group companies are not the legal lessee and the lease agreement for the premises in question will not transfer to the New Lassila & Tikanoja in the Demerger, the cost item related to the use of such premises has been included in the New Lassila & Tikanoja's Carve-out financial statements and presented as other operating expenses in the Carve-out financial statements as related party transactions. For premises where the New Lassila & Tikanoja or its group companies are the legal lessee, the lease agreement for the premises in question will transfer to the New Lassila & Tikanoja in the Demerger, and if the Demerging Company uses the premises in question, the portion of the premises used by the Demerging Company has been included as income in the New Lassila & Tikanoja's Carve-out financial statements and presented as related party transactions in the Carve-out financial statements.

The New Lassila & Tikanoja and the remaining Demerging Company's group have also historically shared certain fixed assets (machinery and equipment), which have been allocated to the New Lassila & Tikanoja and included in property, plant and equipment in the Carve-out financial statements if the asset is expected to transfer to the New Lassila & Tikanoja as part of the Demerger. If the asset is not expected to transfer to the New Lassila & Tikanoja in the Demerger, but the New Lassila & Tikanoja has used the asset in its operations, the cost item related to the use of the asset has been included in the New Lassila & Tikanoja's Carve-out financial statements based on an applicable allocation key (such as square metres or headcount).

The assets and lease arrangements presented in the Carve-out financial statements may differ significantly from the future needs of the New Lassila & Tikanoja as a standalone company. The New Lassila & Tikanoja will enter into new lease agreements related to shared assets upon completion of the Demerger, based on the future needs of the business operations.

Share-based Payments

Key personnel of the New Lassila & Tikanoja have historically participated in the share-based incentive programmes of the Demerging Company. Expenses related to share-based incentive programmes for individuals directly employed by the New Lassila & Tikanoja Companies have been fully included in the Carve-out financial statements. The Carve-out financial statements also include an allocated portion of the share-based incentive expenses for individuals involved in the group functions of the Demerging Company, using the same allocation principles as for centrally provided services, which the management of the Demerging Company considers an appropriate method for allocating share-based payment expenses.

Allocations based on historical expenses may not necessarily reflect the costs that will arise from incentive schemes to be established for key personnel of the New Lassila & Tikanoja in the future. Further information on share-based payments is presented in the Carve-out financial statements included in the F-pages of this Prospectus under note 1.5.

Pension Obligations

The majority of the Demerging Company's pension arrangements have historically been defined contribution plans. The expenses related to these arrangements have been included in the Carve-out financial statements based on the actual headcount-driven expenses of each legal entity of the New Lassila & Tikanoja group. The Carve-out financial statements also include an allocated portion of pension expenses for individuals involved in the group functions of the Demerging Company, using the same allocation principles as for centrally provided services, which the management considers an appropriate method for allocating pension-related expenses.

The Demerging Company also has a limited number of defined benefit pension arrangements, mainly acquired through business combinations. These arrangements and the related obligations will remain with the remaining Demerging Company following the Demerger and have not been included in the Carve-out financial statements.

In Sweden, the Demerging Company has made pension deposits for a few individuals, for which the Demerging Company has neither a legal nor a constructive obligation to make additional payments. The assets related to these arrangements have been recognised under non-current receivables in the statement of financial position, with a corresponding liability recorded under pension obligations. The portion attributable to the New Lassila & Tikanoja relating to these arrangements has been included in the Carve-out financial statements.

Further information on employee benefit expenses and pension obligations is presented in the Carve-out financial statements included in the F-pages of this Prospectus under note 1.3 Employee benefit expenses.

Cash Management and Financing

The Demerging Company's group has historically employed centralised cash management and addressed the group's financing needs through cash pool arrangements and internal loans. The cash and cash equivalents of the New Lassila & Tikanoja consist of cash held by the New Lassila & Tikanoja and its group companies. In connection with the Demerger, a certain amount of the Demerging Company's cash and cash equivalents will be transferred to the New Lassila & Tikanoja in accordance with the principles described in the Demerger Plan. No portion of the Demerging Company's cash and cash equivalents has been allocated to these Carve-out financial statements, as the share attributable to the New Lassila & Tikanoja cannot be reliably allocated to the New Lassila & Tikanoja.

The external financing of the Demerging Company's group is centralised and managed by the Demerging Company. The working capital required by the subsidiaries has historically been financed mainly through cash pool arrangements. To illustrate the effects of the New Lassila & Tikanoja Companies' historical intra-group financing, cash pool liabilities to and cash pool receivables from the Demerging Company have been included in these Carve-out financial statements as financial liabilities and assets and are presented as related party transactions. Interest income and expenses related to the New Lassila & Tikanoja companies' cash pool receivables and liabilities are presented as related party transactions in the Carve-out financial statements. In the Demerger, these Demerging Company's intra-group loan receivables from and liabilities to the New Lassila & Tikanoja Companies will be transferred to the New Lassila & Tikanoja. Accordingly, these intra-group receivables and liabilities will be fully eliminated from the consolidated financial statements of the New Lassila & Tikanoja after the Demerger.

The Carve-out financial statements include the existing external financing arrangements of the New Lassila & Tikanoja Companies and the related interest expenses. The Demerging Company's external financing arrangements have not previously been drawn or directly allocated to the business of the New Lassila & Tikanoja, and the Demerging Company's external financing cannot be reliably allocated to the New Lassila & Tikanoja in the Carve-out financial statements. Accordingly, financial income and expenses related to the Demerging Company's external financing have not been allocated to the New Lassila & Tikanoja. The Demerging Company has agreed with its creditors that, in connection with the Demerger, a certain amount of the Demerging Company's external debt will be transferred to the New Lassila & Tikanoja in accordance with the Demerger Plan. The Carve-out financial statements have not been adjusted to reflect the share of the Demerging Company's debt to be transferred to the New Lassila & Tikanoja in the Demerger.

The financing presented in the Carve-out financial statements may differ significantly from the financing needs of the New Lassila & Tikanoja as an independent company in the future. It should be noted that the finance costs included in the Carve-out financial statements do not necessarily reflect what the finance costs would have been had the New Lassila & Tikanoja historically obtained financing independently, nor do they necessarily represent the future finance costs of the New Lassila & Tikanoja.

Invested Equity

The New Lassila & Tikanoja has not in the past formed a standalone legal group nor prepared separate consolidated financial statements, and therefore it is not meaningful to present share capital or a breakdown of equity reserves. The net assets attributable to the New Lassila & Tikanoja are represented in the combined statement of financial position as invested equity, which consists of invested equity, retained earnings, and currency translation differences.

Changes in the net assets allocated to the New Lassila & Tikanoja are presented separately in the combined statement of changes in invested equity under the line item "Equity transactions with the Demerging Company's group" and in the combined statement of cash flows under the line item "Equity financing with Demerging Company's group, net". These reflect intra-group equity financing between the Demerging Company's group and the New Lassila & Tikanoja during the periods presented. The amount of invested equity is affected by the net assets allocated to the New Lassila & Tikanoja, which comprise income and expenses, assets and liabilities allocated from the Demerging Company and other companies in the Demerging Company's group to the New Lassila & Tikanoja.

Translation differences are recognised in a separate accumulated currency translation differences item included in the total invested equity, and changes in these are presented in other comprehensive income.

The capital structure allocated to the New Lassila & Tikanoja for the purposes of preparing the Carve-out financial statements, i.e. invested equity, does not as such reflect the capital structure that the New Lassila & Tikanoja would have required had it operated as a standalone group during the periods presented. The equity of the New Lassila & Tikanoja will be formed upon completion of the Demerger, and the New Lassila & Tikanoja will have share capital and other reserves as described in the Demerger Plan.

Income Taxes

The subsidiaries belonging to the New Lassila & Tikanoja's group have operated as separate taxable entities during the financial periods presented in these Carve-out financial statements. For these companies, the tax expenses as well as tax liabilities and receivables included in the Carve-out financial statements are based on actual taxation.

New Lassila & Tikanoja, which will be established through the Demerger from the Demerging Company, has not filed separate tax returns during the periods presented. The tax expense presented in these Carve-out financial statements includes an additional tax expense calculated as if New Lassila & Tikanoja had been a separate taxable entity. This tax expense is presented in the Carve-out financial statements as a tax expense in the income statement and, in the statement of financial position, as a transaction with the remaining Demerging Company's group, which has been recognised in invested equity.

The line item "Income taxes paid" in the combined statement of cash flows reflects taxes based on the taxable income of all New Lassila & Tikanoja companies for the period, as they are considered to have been paid by the respective companies. To the extent that such taxes have not historically been paid in cash, these taxes are considered to represent investments made by, or distributions of assets to, the Demerging Company's group, and are deemed to be settled immediately through equity. Such equity-settled transactions are presented in the financing cash flows of the combined statement of cash flows under "Equity financing with Demerging Company's group, net".

The tax expenses presented in the combined income statement do not necessarily reflect the tax expenses that may arise in the future when the New Lassila & Tikanoja and its group companies operate as separate taxable entities.

Foreign Currency Transactions

The Carve-out financial statements are presented in euros, which is the functional and reporting currency of the parent company of the New Lassila & Tikanoja. The New Lassila & Tikanoja group also includes foreign subsidiaries whose functional currency is the Swedish krona. At each reporting date, the income statements of the foreign New Lassila & Tikanoja companies are translated into euros at the average exchange rate for the financial period, and the statement of financial positions are translated at the exchange rate prevailing on the statement of financial position date. Foreign currency transactions are recognised at the exchange rate prevailing on the date of the transaction.

The items in the statement of financial position and income statement translated into euros have been allocated either to the New Lassila & Tikanoja or to the Demerging Company. The translation difference related to the allocated items is recognised in invested equity, and changes in the translation difference are presented in the combined statement of comprehensive income.

Earnings per Share

The Carve-out financial statements have been prepared in accordance with the carve-out principle, and therefore it is not possible to determine earnings per share. The New Lassila & Tikanoja has not had share capital during the periods presented in these Carve-out financial statements, nor can it be allocated a portion of the Demerging Company's outstanding shares. For these reasons, management considers that it is not possible to accurately calculate the earnings per share of the New Lassila & Tikanoja based on the carve-out figures, and thus the requirement to present earnings per share under IAS 33 "Earnings per Share" has not been applied.

Adoption of New or Amended IFRS Accounting Standards and Interpretations

For information on the IFRS Accounting Standards adopted by the New Lassila & Tikanoja, see the notes to the Carve-out financial statements included in the F-pages of this Prospectus under section "*Background and basis of preparation*".

As at the date of this Prospectus, the New Lassila & Tikanoja is not aware of any new standards or amendments that are not yet effective and that would be expected to have a material impact on the New Lassila & Tikanoja in the current or future reporting periods and on foreseeable future transactions, except for the new IFRS 18 *Presentation and Disclosure in Financial Statements* (the "**IFRS 18 Standard**"). The IFRS 18 Standard issued by the International Accounting Standards Board on 9 April 2024 replaces IAS 1 *Presentation of Financial Statements* and it also introduces amendments to several other IFRS standards, such as IAS 7 *Statement of Cash Flows* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.*

The New Lassila & Tikanoja is currently analysing the requirements of the new IFRS 18 Standard and possible changes needed to the information systems and charts of accounts.

The IFRS 18 Standard is effective for annual reporting periods beginning on or after 1 January 2027. Early application of the standard is also allowed. The New Lassila & Tikanoja will apply the IFRS 18 Standard from the annual reporting period beginning on 1 January 2027.

Results of Operations

General

The review below describes the New Lassila & Tikanoja's results of operations for the nine months ended 30 September 2025 and 30 September 2024 as well as for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022.

The following tables present a summary of the New Lassila & Tikanoja's carve-out combined income statement:

Combined income statement	**1 January to 30 September**		**1 January to 31 December**		
In EUR million	**2025**	**2024**	**2024**	**2023**	**2022**
	(unaudited)			**(audited)**	
Net sales	**315.5**	**318.5**	**423.9**	**422.1**	**450.9**
Other operating income	4.0	1.6	2.7	3.3	5.3
Materials and services	-89.7	-91.7	-123.6	-127.6	-164.5
Employee benefit expenses	-106.4	-105.4	-140.3	-137.0	-129.6
Other operating expenses	-59.7	-59.0	-78.8	-78.2	-78.1
Depreciation, amortisation and impairment	-33.7	-32.3	-43.4	-44.3	-39.4
Operating profit	**30.0**	**31.8**	**40.5**	**38.3**	**44.6**
Financial income and expenses	-3.6	-3.3	-4.7	-2.9	-1.5
Share of the result of associated companies and joint ventures	1.0	2.3	3.2	3.6	0.7
Result before taxes	**27.5**	**30.8**	**38.9**	**39.0**	**43.8**
Income taxes	-4.9	-5.8	-7.4	-6.6	-8.3
Result for the period	**22.5**	**25.0**	**31.5**	**32.4**	**35.5**

Explanation of Key Income Statement Items

Net Sales

Net sales consist of services for which revenue is recognised over time, products for which revenue is recognised at a point in time as well as lease income (in addition to the sale of compactors and balers, customers can also lease the equipment through an external financing company). Services for which revenue is recognised over time include sales revenue from long-term service agreements, separately ordered services and the project business. Services for which revenue is recognised at a point in time include revenue from the sale of equipment and materials.

Other Operating Income

Other operating income includes items that are not considered as being directly related to the normal business, such as gains from sales of assets and business activities, and received compensations as well as government grants.

Materials and Services

Materials and services mainly consist of costs related to equipment, supplies and raw materials, short-term production-related rental expenses, waste management fees, subcontracted services, and costs of temporary agency labour.

Employee Benefit Expenses

The New Lassila & Tikanoja's employee benefits include wages, salaries and bonuses paid to employees, post-employment benefits (defined contribution plans), share-based payments and other personnel expenses (statutory social security costs).

Other Operating Expenses

Other operating expenses include, for instance, fees for expert and consulting services, losses from sales of assets and business activities, bad debts and changes in allowances for credit losses, expenses related to the use of vehicles and machinery, ICT costs, voluntary social security costs, travel costs, real estate costs and implementation costs of cloud computing arrangements.

Depreciation, Amortisation and Impairment

Depreciation, amortisation and impairments include depreciation and amortisation related to intangible assets, buildings, machinery and equipment, right-of-use assets and other tangible assets, as well as impairments related to intangible assets.

Financial Income and Expenses

Financial income comprises interest income on loans and other receivables, interest income from related parties, interest income from joint ventures, dividend income, and foreign exchange gains. Financial expenses comprise interest expenses on borrowings measured at amortised cost, interest expenses on cash pool liabilities to related parties including cash-pool liabilities to related parties, interest expenses on lease liabilities, expenses related to factoring, other financial expenses, and losses on foreign exchange.

Income Taxes

The New Lassila & Tikanoja's income taxes consist of current taxes and deferred taxes. Tax expenses are recognised in the income statement, with the exception of items directly recognised in equity or other comprehensive income, in which case the tax effect is recognised in the corresponding item. Current taxes for the taxable profit for the period are determined according to prevailing tax rates in each country. Taxes are adjusted by current taxes related to previous periods, if any.

Nine months ended 30 September 2025 compared to nine months ended 30 September 2024

Combined income statement	**1 January to 30 September**	
In EUR million	**2025**	**2024**
	(unaudited)	
Net sales	**315.5**	**318.5**
Other operating income	4.0	1.6
Materials and services	-89.7	-91.7
Employee benefit expenses	-106.4	-105.4
Other operating expenses	-59.7	-59.0
Depreciation, amortisation and impairment	-33.7	-32.3
Operating profit	**30.0**	**31.8**
Financial income and expenses	-3.6	-3.3
Share of the result of associated companies and joint ventures	1.0	2.3
Result before taxes	**27.5**	**30.8**
Income taxes	-4.9	-5.8
Result for the period	**22.5**	**25.0**

Net Sales

	1 January to 30 September	
In EUR million	**2025**	**2024**
	(unaudited)	
Long-term service agreements	212.1	218.0
Separately ordered services	53.1	48.8
Project business	7.1	7.9
Sales of equipment and materials	40.6	41.2
Lease income	2.6	2.7
Net sales	**315.5**	**318.5**

The New Lassila & Tikanoja's net sales for the nine months ended 30 September 2025 were EUR 315.5 million, a decrease of EUR 3.1 million, or 1.0 per cent, as compared to EUR 318.5 million for the nine months ended 30 September 2024. The decrease was primarily attributable to the challenging economic environment for recycling and waste management services. Net sales for hazardous waste remained at a good level. In process cleaning, net sales increased slightly from the strong comparison period as a result of a particularly active third quarter. In environmental construction, net sales increased driven by a strong project portfolio.

Other Operating Income

The New Lassila & Tikanoja's total other operating income for the nine months ended 30 September 2025 was EUR 4.0 million, an increase of EUR 2.5 million, or 158.0 per cent, as compared to EUR 1.6 million for the nine months ended 30 September 2024. The increase was primarily attributable to a EUR 2.2 million change in the fair value of the deferred consideration.

Materials and Services

The New Lassila & Tikanoja's materials and services expenses for the nine months ended 30 September 2025 were EUR 89.7 million, a decrease of EUR 2.0 million, or 2.2 per cent, as compared to EUR 91.7 million for the nine months ended 30 September 2024. The decrease was primarily attributable to the decrease in net sales.

Employee Benefit Expenses

The New Lassila & Tikanoja's employee benefit expenses for the nine months ended 30 September 2025 were EUR 106.4 million, an increase of EUR 1.0 million, or 1.0 per cent, as compared to EUR 105.4 million for the nine months ended 30 September 2024. The increase was primarily attributable to salary increases.

Other Operating Expenses

The New Lassila & Tikanoja's other operating expenses for the nine months ended 30 September 2025 were EUR 59.7 million, an increase of EUR 0.7 million, or 1.2 per cent, as compared to EUR 59.0 million for the nine months ended 30 September 2024. The increase was mainly due to costs related to the Demerger and the Listing, as well as additional costs arising from the implementation of the new ERP System.

Depreciation, Amortisation and Impairment

The New Lassila & Tikanoja's total depreciation, amortisation and impairment for the nine months ended 30 September 2025 was EUR 33.7 million, an increase of EUR 1.4 million, or 4.4 per cent, as compared to EUR 32.3 million for the nine months ended 30 September 2024. The increase was primarily attributable to the commencement of amortisation related to the investment in the renewal of the ERP System during latter part of the second half of 2025, as well as an increase in depreciation of buildings and structures and machinery and equipment. The increase was partly offset by a decrease in depreciation of heavy rental equipment.

Operating Profit

The New Lassila & Tikanoja's operating profit for the nine months ended 30 September 2025 was EUR 30.0 million, a decrease of EUR 1.7 million, or 5.4 per cent, as compared to EUR 31.8 million for the nine months ended 30 September 2024. The decrease was primarily attributable to the challenging economic environment, which affected demand throughout the comparison period. Demand for recycling and waste management services declined compared to the comparison period, particularly in the construction customer segment. Operating profit was further weakened by additional costs arising from the implementation of the new ERP System and amortisation of the investment in the ERP System. The efficiency measures implemented helped to adjust service production costs to the market situation.

Financial Income and Expenses

The New Lassila & Tikanoja's financial income and expenses for the nine months ended 30 September 2025 was net financial expenses of EUR 3.6 million, and for the nine months ended 30 September 2024 net financial expenses of EUR 3.3 million. The New Lassila & Tikanoja's net financial expenses for the nine months ended 30 September 2025 increased by EUR 0.3 million, or 8.9 per cent, as compared to the nine months ended 30 September 2024. The net financial expenses for the nine months ended 30 September 2024 were reduced by the impact of discounting environmental provisions. Interest expenses to related parties increased compared to the comparison period, which was partly offset by a decrease in interest expenses on lease liabilities.

Result Before Taxes

The New Lassila & Tikanoja's result before taxes for the nine months ended 30 September 2025 was EUR 27.5 million, a decrease of EUR 3.3 million, or 10.9 per cent, as compared to EUR 30.8 million for the nine months ended 30 September 2024. The share of the result of the joint venture Laania Ltd was EUR 1.0 million for the nine months ended 30 September 2025 compared to EUR 2.3 million for the nine months ended 30 September 2024. The result of the joint venture Laania Ltd was burdened by an exceptionally warm spring, which weakened the demand for energy wood. Other reasons for the changes in result before taxes for the periods presented are described above.

Income Taxes

The New Lassila & Tikanoja's income taxes for the nine months ended 30 September 2025 were EUR 4.9 million, a decrease of EUR 0.9 million, or 15.4 per cent, as compared to EUR 5.8 million for the nine months ended 30 September 2024. The New Lassila & Tikanoja's effective tax rate for the nine months ended 30 September 2025 and for the nine months ended 30 September 2024 was 18 per cent and 19 per cent, respectively.

Result for the Period

The New Lassila & Tikanoja's result for the period for the nine months ended 30 September 2025 was EUR 22.5 million, a decrease of EUR 2.4 million, or 9.8 per cent, as compared to EUR 25.0 million for the nine months ended 30 September 2024. The reasons for the changes in the results for the periods presented are described above.

Comparison of the financial years ended 31 December 2024, 2023, and 2022

Combined income statement	**1 January to 31 December**		
In EUR million	**2024**	**2023**	**2022**
		(audited)	
Net sales	**423.9**	**422.1**	**450.9**
Other operating income	2.7	3.3	5.3
Materials and services	-123.6	-127.6	-164.5
Employee benefit expenses	-140.3	-137.0	-129.6
Other operating expenses	-78.8	-78.2	-78.1
Depreciation, amortisation and impairment	-43.4	-44.3	-39.4
Operating profit	**40.5**	**38.3**	**44.6**
Financial income and expenses	-4.7	-2.9	-1.5
Share of the result of associated companies and joint ventures	3.2	3.6	0.7
Result before taxes	**38.9**	**39.0**	**43.8**
Income taxes	-7.4	-6.6	-8.3
Result for the period	**31.5**	**32.4**	**35.5**

Net Sales

	1 January to 31 December		
In EUR million	**2024**	**2023**	**2022**
		(audited)	
Long-term service agreements	289.4	292.5	280.6
Separately ordered services	66.0	58.5	59.0
Project business	9.9	11.8	9.7
Sales of equipment and materials	55.1	55.7	98.3
Lease income	3.5	3.5	3.3
Net sales	**423.9**	**422.1**	**450.9**

The New Lassila & Tikanoja's net sales for the financial years ended 31 December 2024, 2023, and 2022 was EUR 423.9 million, EUR 422.1 million and EUR 450.9 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's net sales increased by EUR 1.8 million, or 0.4 per cent, as compared to the financial year ended 31 December 2023, when net sales decreased by EUR 28.8 million or 6.4 per cent, as compared to the financial year ended 31 December 2022. On 1 July 2022, L&T Biowatti Oy, owned by the New Lassila & Tikanoja, and Neova Oy's energy wood operations in Finland and Estonia were combined into the joint venture Laania Ltd. The investment in Laania Ltd has been accounted for in the New Lassila & Tikanoja's carve-out financial statements using the equity method, and the share of Laania Ltd's profit or loss is presented in the line item "Share of the result of associated companies and joint ventures". As a result, the business of L&T Biowatti Oy has not been consolidated as a subsidiary in the New Lassila & Tikanoja's Carve-out financial statements after 30 June 2022. L&T Biowatti Oy's share of the New Lassila & Tikanoja's net sales on a carve-out basis for the financial year ended 31 December 2022 was EUR 35.4 million. The New Lassila & Tikanoja's net sales on a carve-out basis excluding L&T Biowatti Oy's business for the financial year ended 31 December 2022 would have been EUR 415.5 million.

The increase in net sales for the financial year ended 31 December 2024 is mainly attributable to growth in sales of separately ordered services. Net sales grew particularly in the Swedish operations. In February 2024, the New Lassila &

Tikanoja acquired all the shares of PF Industriservice AB, a company that provides process cleaning services in Sweden. Through the acquisition, the New Lassila & Tikanoja's process cleaning services business expanded to the Gävleborg area in Sweden. The decrease in net sales for the financial year ended 31 December 2023 was mainly due to a decrease in sales of equipment and materials. This decrease in sales of equipment and materials was primarily attributable to the combination of L&T Biowatti Oy, owned by the New Lassila & Tikanoja, and Neova Oy's energy wood into the joint venture Laania Ltd in July 2022. Growth in sales of long-term service agreements partially compensated for the decrease in net sales.

Other Operating Income

The New Lassila & Tikanoja's total other operating income for the financial years ended 31 December 2024, 2023, and 2022 was EUR 2.7 million, EUR 3.3 million and EUR 5.3 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's other operating income decreased by EUR 0.6 million or 18.9 per cent, as compared to the financial year ended 31 December 2023, when other operating income decreased by EUR 2.0 million or 37.7 per cent, as compared to the financial year ended 31 December 2022.

The decrease in other operating income for the financial year ended 31 December 2024 was mainly due to a decrease in compensations received and government grants, which was mainly due to a one-off compensation of EUR 1.6 million recognised in 2023 and paid by the previous supplier of a new enterprise resource planning system relating to the termination of the co-operation. The decrease in other operating income for the financial year ended 31 December 2023 was mainly due to a gain of EUR 4.3 million recognised in 2022 on the sale of a subsidiary's net assets to a joint venture. Compensation received and government grants and other items partially compensated for the decrease.

Materials and Services

The New Lassila & Tikanoja's expenses for materials and services for the financial years ended 31 December 2024, 2023, and 2022 amounted to EUR 123.6 million, EUR 127.6 million and EUR 164.5 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's expenses for materials and services decreased by EUR 4.0 million or 3.1 per cent, as compared to the financial year ended 31 December 2023, when expenses for materials and services decreased by EUR 36.8 million or 22.4 per cent, as compared to the financial year ended 31 December 2022.

The decrease in expenses for materials and services for the financial year ended 31 December 2024 was mainly due to lower waste management fees. The decrease in expenses for materials and services for the financial year ended 31 December 2023 was mainly due to the combination of L&T Biowatti Oy, owned by the New Lassila & Tikanoja, and Neova Oy's energy wood operations into the joint venture Laania Ltd in July 2022.

Employee Benefit Expenses

The New Lassila & Tikanoja's employee benefit expenses for the financial years ended 31 December 2024, 2023, and 2022 amounted to EUR 140.3 million, EUR 137.0 million and EUR 129.6 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's employee benefit expenses increased by EUR 3.4 million or 2.5 per cent, as compared to the financial year ended 31 December 2023, when employee benefit expenses increased by EUR 7.3 million or 5.7 per cent, as compared to the financial year ended 31 December 2022.

The increase in employee benefit expenses for the financial years ended 31 December 2024 and 2023 was mainly due to growth in wages and salaries. Employee benefit expenses for the financial year ended 31 December 2024 include expenses related to business restructuring.

Other Operating Expenses

The New Lassila & Tikanoja's other operating expenses for the financial years ended 31 December 2024, 2023, and 2022 amounted to EUR 78.8 million, EUR 78.2 million and EUR 78.1 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's other operating expenses increased by EUR 0.6 million or 0.8 per cent, as compared to the financial year ended 31 December 2023, when other operating expenses increased by EUR 0.1 million or 0.1 per cent, as compared to the financial year ended 31 December 2022.

The increase in other operating expenses for the financial year ended 31 December 2024 was mainly due to increases in the "other" line item under other operating expenses, as the 2023 figure included a EUR 0.5 million one-off compensation received from the previous supplier of a new ERP system relating to the termination of the co-operation. A decrease in fuel costs for vehicles and machinery partially compensated for the increase. The increase in other operating expenses for the financial year ended 31 December 2023 was mainly due to increases in travel costs and maintenance and repair costs for vehicles and machinery. The increase in expenses for the financial year ended 31 December 2023 was balanced by a decrease in fuel costs for vehicles and machinery and in expert fees.

Depreciation, Amortisation and Impairment

The New Lassila & Tikanoja's depreciation, amortisation and impairment for the financial years ended 31 December 2024, 2023, and 2022 amounted to EUR 43.4 million, EUR 44.3 million and EUR 39.4 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's depreciation, amortisation and impairment decreased by EUR 1.0 million or 2.2 per cent, as compared to the financial year ended 31 December 2023, when depreciation, amortisation and impairment increased by EUR 5.0 million or 12.6 per cent, as compared to the financial year ended 31 December 2022.

The decrease in depreciation, amortisation and impairment for the financial year ended 31 December 2024 compared to the financial year ended 31 December 2023 was mainly due to the fact that no impairments were recognised in 2024. An increase in depreciation of machinery and equipment for the financial year ended 31 December 2024 partially compensated for the decrease. The increase in depreciation, amortisation and impairment for the financial year ended 31 December 2023 was mainly due to impairment of intangible assets and increased depreciation of machinery and equipment and right-of-use assets. The impairment of intangible assets in 2023 consisted of expenses of the previous supplier of the new ERP System capitalised in prepayments and construction in progress.

Operating Profit

The New Lassila & Tikanoja's operating profit for the financial years ended 31 December 2024, 2023, and 2022 amounted to EUR 40.5 million, EUR 38.3 million and EUR 44.6 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's operating profit increased by EUR 2.2 million or 5.7 per cent, as compared to the financial year ended 31 December 2023, when operating profit decreased by EUR 6.4 million or 14.3 per cent, as compared to the financial year ended 31 December 2022.

Operating profit for the financial year ended 31 December 2024 improved, despite a challenging economic environment that affected demand for recycling and waste management services throughout the year. Demand declined particularly in the construction customer segment compared to the previous year. In addition, the municipalisation of packaging waste collection from residential properties continued during the financial year. Cost-efficiency measures implemented in the first half of the year successfully aligned service production costs with market conditions. The New Lassila & Tikanoja maintained a strong market position among corporate and producer responsibility organisation customers, and its position in municipal contracts strengthened. Demand for hazardous waste services remained strong throughout the financial year. In process cleaning, annual maintenance projects were carried out as planned, and resourcing was successful.

The decline in operating profit for the financial year ended 31 December 2023 was mainly due to lower prices and volumes of recycled materials, as well as the negative overall impact of municipalisation. The general slowdown in economic activity during the year was reflected in lower waste volumes and prices of recycled materials throughout the year. The decrease in prices and volumes of recycled materials burdened net sales and lowered operating profit for the financial year ended 31 December 2023 by EUR 4.5 million compared to the financial year ended 31 December 2022. In Finland, the Waste Act was amended in July 2021. The reform strengthened the role of municipalities in organising the collection of packaging materials and biowaste from residential properties. The effects of municipalisation were fully reflected in the New Lassila & Tikanoja's results from the second half of 2023 onwards. During the second half of the year, the collection of packaging waste from residential properties was transferred to a municipal waste company in several of the New Lassila & Tikanoja's key areas. This change transferred ownership of the waste to municipal companies, reduced additional sales and weakened the efficiency of the New Lassila & Tikanoja's collection logistics, thereby increasing production costs. The total negative impact of the change on operating profit was approximately EUR 2.5 million in the financial year ended 31 December 2023.

The New Lassila & Tikanoja may, according to management's estimates, incur additional annual costs following the Effective Date in order from operating as an independent listed company, as well as from organising the group functions as compared to the costs allocated to the New Lassila & Tikanoja in the Carve-out financial statements for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022. There can be no assurance that the management's estimate of the additional costs would correspond to the actual costs incurred on an annual basis by the New Lassila & Tikanoja from operating as an independent listed company and from organising the group functions following the Effective Date. Furthermore, the New Lassila & Tikanoja will continue to implement its efficiency measures to efficiently manage standalone cost levels following the Effective Date. See also "*—Key Factors Affecting the Results of Operations—Demerger*" above.

Financial Income and Expenses

The New Lassila & Tikanoja's financial income and expenses for the financial years ended 31 December 2024, 2023, and 2022 amounted to net financial expenses of EUR 4.7 million, net financial expenses of EUR 2.9 million and net financial expenses of EUR 1.5 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's net financial expenses increased by EUR 1.8 million or 62.3 per cent, as compared to the financial year ended 31 December 2023, when net financial expenses increased by EUR 1.4 million or 93.5 per cent, as compared to the financial year ended 31 December 2022.

The increase in net financial expenses for the financial year ended 31 December 2024 was mainly attributable to a general increase in financial expenses and a decrease in financial income. The largest single item affecting the increase in expenses was increased interest expenses on cash-pool liabilities from related parties, which was due to an increase in the amount of cash-pool liabilities. The increase in net financial expenses for the financial year ended 31 December 2023 was mainly attributable to an increase in financial expenses. The largest single item driving the growth was interest expenses on lease liabilities, which were affected by both the general increase in interest rate levels and the increase in lease liabilities.

At the Effective Date of the Demerger, the Demerging Company's cash-pool receivables and cash-pool liabilities as well as other loan receivables and liabilities from the legal entities making up the New Lassila & Tikanoja group, which have not been included in the carve-out financial information, will be transferred to the New Lassila & Tikanoja in the Demerger and these items will be eliminated in the consolidation after the Demerger. In connection with the Demerger, the Demerging Company's current financial arrangements, consisting of EUR 35 million and EUR 15 million term loans and a EUR 40 million revolving credit facility agreement, will be transferred to the New Lassila & Tikanoja in accordance with the Demerger Plan. The Demerging Company's EUR 75 million Notes will also transfer to the New Lassila & Tikanoja in accordance with the Demerger Plan. The Demerging Company's existing EUR 35 million and EUR 15 million term loans, EUR 40 million revolving credit facility agreement and EUR 75 million Notes have not been included in the historical carve-out financial information of the New Lassila & Tikanoja. As a result, the net financial income and expenses included in the New Lassila & Tikanoja Carve-out financial statements may not necessarily represent what the financial income and expenses would have been, had the New Lassila & Tikanoja historically obtained financing on a stand-alone basis, and may not be indicative of the cost of financing that will arise for the New Lassila & Tikanoja in the future. Unaudited Pro Forma Financial Information, taking into account the effects of the Demerger, is presented in the section "*Unaudited Pro Forma Financial Information*".

Result Before Taxes

The New Lassila & Tikanoja's result before taxes for the financial years ended 31 December 2024, 2023, and 2022 was EUR 38.9 million, EUR 39.0 million and EUR 43.8 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's result before taxes decreased by EUR 0.1 million or 0.2 per cent, as compared to the financial year ended 31 December 2023, when result before taxes decreased by EUR 4.9 million or 11.1 per cent, as compared to the financial year ended 31 December 2022. The reasons for changes in result before taxes for all periods presented are described above.

Income Taxes

The New Lassila & Tikanoja's income taxes for the financial years ended 31 December 2024, 2023, and 2022 amounted to EUR 7.4 million, EUR 6.6 million and EUR 8.3 million, respectively. The New Lassila & Tikanoja's effective tax rates for the financial years ended 31 December 2024, 2023, and 2022 were 18.9 per cent, 16.9 per cent and 18.9 per cent, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's income taxes increased by EUR 0.8 million or 12.1 per cent, as compared to the financial year ended 31 December 2023, when income taxes decreased by EUR 1.7 million or 20.7 per cent, as compared to the financial year ended 31 December 2022.

Result for the Period

The New Lassila & Tikanoja's result for the financial years ended 31 December 2024, 2023, and 2022 was EUR 31.5 million, EUR 32.4 million and EUR 35.5 million, respectively. For the financial year ended 31 December 2024, the New Lassila & Tikanoja's result decreased by EUR 0.9 million or 2.7 per cent, as compared to the financial year ended 31 December 2023, when result decreased by EUR 3.1 million or 8.8 per cent, as compared to the financial year ended 31 December 2022. The reasons for changes in result for all periods presented are described above.

Liquidity and sources of capital

General

Prior to the Effective Date, the New Lassila & Tikanoja has not operated as an independent company and, consequently, has not been capitalised or financed as such. The Demerging Company has managed its cash resources centrally and cash generated by the New Lassila & Tikanoja has been returned to the Demerging Company either as distributions, repayments of indebtedness, internal deposits or cash pools. The New Lassila & Tikanoja's historical cash flows described below are, therefore, not indicative of the cash flows to be expected from an independent entity following the Effective

Date. As at the date of this Prospectus, the financing of the New Lassila & Tikanoja is being arranged through the Demerging Company's group treasury.

Following the Effective Date, the New Lassila & Tikanoja's operations are expected to be financed with cash flow from operating activities, factoring arrangements, credit and overdraft facilities and other interest-bearing loans as well as long-term revolving credit facilities. The New Lassila & Tikanoja's liquidity requirements are primarily related to short- and long-term debt servicing costs, capital expenditure, dividend and tax payments, corporate acquisitions, investments and changes in working capital.

Cash Flows

The following table presents a summary of the combined statement of cash flow data for the New Lassila & Tikanoja for the nine months ended 30 September 2025 and 2024 and the financial years ended 31 December 2024, 2023, and 2022:

Combined Cash Flows Data	**1 January to 30 September**		**1 January to 31 December**		
In EUR million	**2025**	**2024**	**2024**	**2023**	**2022**
	(unaudited)			**(audited)**	
Net cash from operating activities	36.9	51.6	74.0	82.0	71.8
Net cash from investing activities	-21.3	-31.0	-39.8	-42.6	-28.2
Net cash from financing activities	-15.9	-22.1	-34.8	-39.5	-42.4
Net change in cash and cash equivalents	-0.3	-1.4	**-0.5**	**-0.1**	**1.2**
Cash and cash equivalents at the beginning of the period	1.9	2.4	**2.4**	**2.6**	**1.5**
Effect of changes in foreign exchange rates	-0.1	-0.0	-0.0	-0.0	-0.1
Cash and cash equivalents at the end of the period	1.5	0.9	**1.9**	**2.4**	**2.6**

There have been no material changes in the New Lassila & Tikanoja's cash flows between 30 September 2025 and the date of this Prospectus.

Net Cash Flow from Operating Activities

The New Lassila & Tikanoja's net cash from operating activities for the nine months ended 30 September 2025 was EUR 36.9 million, and EUR 51.6 million for the nine months ended 30 September 2024. The most significant item with an effect on net cash from operating activities for the nine months ended 30 September 2025 was the change in trade receivables and other receivables. The working capital tie-up for the nine months ended 30 September 2025 was affected by the environmental construction business's focus on projects, the timing of process cleaning annual maintenance invoicing at the end of the comparison period, and billing delays caused by the implementation phase of the system upgrade.

The New Lassila & Tikanoja's net cash flow from operating activities for the financial year ended 31 December 2024 was EUR 74.0 million, EUR 82.0 million for the financial year ended 31 December 2023 and EUR 71.8 million for the financial year ended 31 December 2022. Net cash flow from operating activities for the financial year ended 31 December 2024 was supported by stable profitability and the release of working capital. Net cash flow from operating activities for the financial year ended 31 December 2023 was supported by stable operating profitability, the release of working capital and significant tax refunds.

Net Cash Flow from Investing Activities

The New Lassila & Tikanoja's net cash flow from investing activities for the nine months ended 30 September 2025 was EUR -21.3 million, consisting mainly of EUR -15.0 million in purchases of intangible assets and property, plant and equipment and EUR -8.0 million in acquired subsidiaries and businesses net of cash acquired. The negative cash flow was partly offset by proceeds from sales of property, plant and equipment and intangible assets and dividends received from a joint venture.

The New Lassila & Tikanoja's net cash flow from investing activities for the nine months ended 30 September 2024 was EUR -31.0 million, consisting mainly of EUR -32.3 million in purchases of intangible assets and property, plant and equipment. The negative cash flow was partly offset by proceeds from sales of property, plant and equipment and intangible assets and dividends received from a joint venture.

The New Lassila & Tikanoja's net cash flow from investing activities for the financial year ended 31 December 2024 was EUR -39.8 million consisting mainly of purchases of intangible assets and property, plant and equipment for EUR -41.2

million. The net cash flow was partly offset by proceeds from sale of tangible and intangible assets and dividends received from joint venture.

The New Lassila & Tikanoja's net cash flow from investing activities for the financial year ended 31 December 2023 was EUR -42.6 million consisting mainly of purchases of intangible assets and property, plant and equipment for EUR -42.9 million.

The New Lassila & Tikanoja's net cash flow from investing activities for the financial year ended 31 December 2022 was EUR -28.2 million consisting mainly of purchases of intangible assets and property, plant and equipment for EUR -29.7 million and in acquisitions of subsidiaries and businesses, net of cash acquired for EUR -13.2 million. The net cash flow was partly offset by the repayment of loan receivables from joint venture.

Net Cash Flow from Financing Activities

The New Lassila & Tikanoja's net cash flow from financing activities for the nine months ended 30 September 2025 was EUR -15.9 million and EUR -22.1 million for the nine months ended 30 September 2024. The most significant items that negatively affected the net cash flow from financing activities for the nine months ended 30 September 2025 and 30 September 2024 were net equity financing with the Demerging Company's group and repayments of lease liabilities.

The New Lassila & Tikanoja's net cash flow from financing activities for the financial year ended 31 December 2024 was EUR -34.8 million, EUR -39.5 million for the financial year ended 31 December 2023 and EUR -42.4 million for the financial year ended 31 December 2022. The most significant items with a negative effect on the net cash flow from financing activities for the financial years ended 31 December 2024, 31 December 2023, and 31 December 2022 were net equity financing with the Demerging Company's group and repayments of lease liabilities.

Net equity financing with the Demerging Company's group consists of changes in revenues and expenses as well as assets and liabilities allocated on a carve-out basis to the New Lassila & Tikanoja from the Demerging Company and its group companies, reflecting the internal equity financing between the Demerging Company's group and the New Lassila & Tikanoja during the presented periods.

Liquidity

As at 30 September 2025, the New Lassila & Tikanoja's cash and cash equivalents on a carve-out basis in the statement of financial position amounted to EUR 1.5 million, consisting of cash and cash equivalents held by the legal entities forming the New Lassila & Tikanoja group. In accordance with the Demerger Plan, a portion of the cash and cash equivalents of the Demerging Company, which have not been included in the carve-out financial information, will also be transferred to the New Lassila & Tikanoja in connection with the Demerger. In its preparation for the Demerger, the Demerging Company has agreed on financing arrangements for the New Lassila & Tikanoja, consisting of:

- The outstanding EUR 75 million Notes. The Notes are sustainability-linked, unsecured and mature on 19 May 2028, unless the New Lassila & Tikanoja prepays the Notes in accordance with their terms;
- EUR 35 million and EUR 15 million term loans, which mature on 27 June 2028, unless the New Lassila & Tikanoja exercises the two-year extension option to extend the maturity date of the loan; and
- EUR 40 million revolving credit facility agreement, which matures on 27 June 2028, unless the New Lassila & Tikanoja exercises the two-year extension option to extend the maturity date of the loan. The EUR 40 million revolving credit facility is undrawn as at the date of this Prospectus.

These financing arrangements will transfer from the Demerging Company to the New Lassila & Tikanoja on the Effective Date.

The financing arrangements are subject to the following financial covenant terms: equity ratio and the ratio of net debt to EBITDA. Compliance with the covenant terms is monitored on a quarterly basis.

The following table sets forth the maturity of the New Lassila & Tikanoja's financial liabilities on a carve-out basis, excluding financing arrangements to be transferred to the New Lassila & Tikanoja in accordance with the Demerger Plan, which have not been included in the carve-out statement of financial position as at 30 September 2025:

Maturity of financial liabilities

EUR million 30 September 2025	**Carrying amount**	**Contractual cash flows**	**Maturing 1.10.–31.12.2025**	**Maturing in 2026**	**Maturing in 2027**	**Maturing in 2028**	**Maturing in 2029**	**Maturing in 2030 and later**
				(unaudited)				
Borrowings	0.5	0.5	0.1	0.3	0.1	0.0	-	-
Cash-pool liabilities to related parties	35.2	35.2	35.2	-	-	-	-	-
Lease liabilities	54.2	58.5	3.9	12.5	8.3	7.0	6.4	20.4
Deferred consideration	4.8	4.8	-	4.8	-	-	-	-
Trade and other payables	37.2	37.2	37.2	-	-	-	-	-
Total	**131.8**	**136.1**	**76.4**	**17.6**	**8.4**	**7.0**	**6.4**	**20.4**

Combined statement of financial position information

The statement of financial position information presented below represents the financial position of the New Lassila & Tikanoja on a carve-out basis as at the dates indicated. The preparation of the carve-out financial information includes management estimates and assumptions which have an impact on reported assets and liabilities. The New Lassila & Tikanoja has not in the past formed a standalone legal group with its own equity structure and share capital. The New Lassila & Tikanoja's equity structure will be formed at the Effective Date of the Demerger in accordance with the Demerger Plan. The New Lassila & Tikanoja's historical carve-out financial information includes liabilities to and receivables from the Demerging Company's group, reflecting the historical debt financing of the New Lassila & Tikanoja as part of the Demerging Company's group. At the Effective Date of the Demerger, the Demerging Company's corresponding cash-pool liabilities and cash-pool receivables, as well as loan receivables and liabilities from the New Lassila & Tikanoja entities, which have not been included in the carve-out financial information, will be transferred to the New Lassila & Tikanoja in the Demerger and these items will be fully eliminated from the consolidated financial statements of the New Lassila & Tikanoja after the Demerger. In connection with the Demerger, the Demerging Company's current financing arrangements, EUR 35 million and EUR 15 million term loans and a EUR 40 million revolving credit facility agreement, which have not been included in the carve-out statement of financial position as at 30 September 2025, will be transferred to the New Lassila & Tikanoja in accordance with the Demerger Plan. The Demerging Company's EUR 75 million Notes, which have not been included in the carve-out basis statement of financial position as at 30 September 2025, will also be transferred to the New Lassila & Tikanoja in accordance with the Demerger Plan. In addition, a portion of the Demerging Company's cash and cash equivalents will be transferred to the New Lassila & Tikanoja in accordance with the Demerger Plan.

As a result, the historical carve-out financial information presented below is not indicative of the New Lassila & Tikanoja's equity structure or financial position after the Demerger. For Unaudited Pro Forma Financial Information taking into account the effects of the Demerger, see section "*Unaudited Pro Forma Financial Information*".

Combined statement of financial position data In EUR million	**As at 30 September**	**As at 31 December**		
	2025	**2024**	**2023**	**2022**
	(unaudited)		**(audited)**	
ASSETS				
Total non-current assets	379.2	383.4	379.3	352.6
Total current assets	95.7	69.6	75.2	103.3
Total assets	**474.9**	**453.0**	**454.5**	**455.9**
INVESTED EQUITY AND LIABILITIES				
Invested equity	**246.2**	**252.1**	**251.4**	**257.8**
Liabilities				
Total non-current liabilities	78.1	87.0	89.5	84.3
Total current liabilities	150.6	113.9	113.6	113.9
Total invested equity and liabilities	**474.9**	**453.0**	**454.5**	**455.9**

Assets

Non-current assets

The following table sets forth the New Lassila & Tikanoja's non-current assets as at the dates indicated:

In EUR million	As at 30 September 2025 (unaudited)	As at 31 December 2024	2023 (audited)	2022
ASSETS				
Non-current assets				
Goodwill	122.5	118.8	118.2	118.2
Other intangible assets	37.0	35.1	28.6	24.3
Total intangible assets	**159.5**	**153.9**	**146.9**	**142.5**
Right-of-use assets	52.0	54.8	60.7	54.5
Other property, plant and equipment	148.9	155.3	153.1	140.4
Total property, plant and equipment	**200.9**	**210.1**	**213.8**	**195.0**
Shares in associated companies and joint ventures	18.3	18.9	17.6	14.0
Other shares and holdings	0.1	0.1	0.1	0.1
Other non-current receivables	0.4	0.4	0.9	1.0
Total other non-current assets	**18.8**	**19.5**	**18.6**	**15.1**
Total non-current assets	**379.2**	**383.4**	**379.3**	**352.6**

The total non-current assets in the carve-out statement of financial position as at 30 September 2025 were EUR 379.2 million, a decrease of EUR 4.2 million as compared to EUR 383.4 million in the carve-out statement of financial position as at 31 December 2024. The decrease was mainly due to a decrease in property, plant and equipment. Goodwill increased as a result of a business acquisition.

The total non-current assets in the carve-out statement of financial position as at 31 December 2024 were EUR 383.4 million, an increase of EUR 4.2 million as compared to EUR 379.3 million in the carve-out statement of financial position as at 31 December 2023. The increase was mainly due to increases in other intangible assets as a result of the information system renewal. The increase was partially offset by a decrease in right-of-use assets.

The total non-current assets in the carve-out statement of financial position as at 31 December 2023 were EUR 379.3 million, an increase of EUR 26.7 million as compared to EUR 352.6 million in the carve-out statement of financial position as at 31 December 2022. The increase was mainly attributable to increases in other property, plant and equipment, right-of-use assets and other intangible assets.

Current assets

The following table sets forth the New Lassila & Tikanoja's current assets as at the dates indicated:

In EUR million	As at 30 September 2025 (unaudited)	As at 31 December 2024	2023 (audited)	2022
Current assets				
Inventories	11.1	9.2	7.7	7.7
Trade receivables	63.4	49.4	54.6	58.4
Contract assets	16.8	7.2	8.7	5.8
Income tax receivables	0.2	0.0	-	6.5
Cash-pool receivables from related parties	0.1	0.1	0.3	20.5
Other current receivables	2.7	1.7	1.5	1.9
Cash and cash equivalents	1.5	1.9	2.4	2.6
Total current assets	**95.7**	**69.6**	**75.2**	**103.3**

The total current assets in the carve-out statement of financial position as at 30 September 2025 were EUR 95.7 million, an increase of EUR 26.1 million as compared to EUR 69.6 million in the carve-out statement of financial position as at 31 December 2024. The increase was mainly due to an increase in trade receivables and contract assets. The increase in trade receivables and contract assets was attributable to the environmental construction business's focus on projects, the timing of process cleaning annual maintenance invoicing at the end of the quarter, and billing delays caused by the implementation phase of the system upgrade.

The total current assets in the carve-out statement of financial position as at 31 December 2024 were EUR 69.6 million, a decrease of EUR 5.6 million as compared to EUR 75.2 million in the carve-out statement of financial position as at 31 December 2023. The decrease was mainly due to a decrease in trade receivables.

The total current assets in the carve-out statement of financial position as at 31 December 2023 were EUR 75.2 million, a decrease of EUR 28.1 million as compared to EUR 103.3 million in the carve-out statement of financial position as at 31 December 2022. The decrease was mainly due to a decrease in cash-pool receivables from related parties.

Invested Equity and Liabilities

Invested Equity

The New Lassila & Tikanoja's total invested equity in the carve-out statement of financial position was EUR 246.2 million as at 30 September 2025, a decrease of EUR 5.8 million as compared to EUR 252.1 million as at 31 December 2024. The decrease in invested equity was mainly due to equity transactions with the Demerging Company, partly offset by the result for the period.

The New Lassila & Tikanoja's total invested equity in the carve-out statement of financial position was EUR 252.1 million as at 31 December 2024, an increase of EUR 0.6 million as compared to EUR 251.4 million as at 31 December 2023. The increase in invested equity was mainly due to the result for the period, partly offset by equity transactions with the Demerging Company.

The New Lassila & Tikanoja's total invested equity in the carve-out statement of financial position was EUR 251.4 million as at 31 December 2023, a decrease of EUR 6.3 million as compared to EUR 257.8 million as at 31 December 2022. The decrease in invested equity was mainly due to equity transactions with the Demerging Company, partly offset by the result for the period.

Non-current liabilities

The New Lassila & Tikanoja's non-current liabilities consist of the following items: deferred tax liabilities, pension obligations, provisions, borrowings, lease liabilities and other liabilities.

The total non-current liabilities in the carve-out statement of financial position as at 30 September 2025 were EUR 78.1 million, a decrease of EUR 9.0 million as compared to EUR 87.0 million in the carve-out statement of financial position as at 31 December 2024. The decrease was mainly due to the transfer of deferred consideration to current liabilities in the first quarter of 2025 and a decrease in lease liabilities. The deferred consideration included in other liabilities is related to the acquisition of a 70 per cent share of SVB that took place on 1 February 2022. SVB is consolidated with a 100 per cent share in the New Lassila & Tikanoja and, in connection with the arrangement, the New Lassila & Tikanoja has recognised in financial liabilities an estimate of the deferred consideration for the acquisition. The deferred consideration relates to the acquisition of non-controlling interest and is measured at fair value, which is reflected in the present value of the estimated liability. The deferred consideration will mature on 1 February 2026 at the earliest. The deferred consideration in the carve-out statement of financial position as at 30 September 2025 was EUR 4.8 million compared to the carve-out statement of financial position as at 31 December 2024, in which the deferred consideration was EUR 6.7 million.

The total non-current liabilities in the carve-out statement of financial position as at 31 December 2024 were EUR 87.0 million, a decrease of EUR 2.5 million as compared to EUR 89.5 million in the carve-out statement of financial position as at 31 December 2023. The decrease was mainly attributable to a decrease in lease liabilities and provisions but was also affected by an increase in deferred tax liabilities.

The total non-current liabilities in the carve-out statement of financial position as at 31 December 2023 were EUR 89.5 million, an increase of EUR 5.2 million as compared to EUR 84.3 million in the carve-out statement of financial position as at 31 December 2022. The increase was mainly due to an increase in lease liabilities.

Current liabilities

The New Lassila & Tikanoja's current liabilities consist of the following items: borrowings, cash-pool liabilities to related parties, lease liabilities, trade and other payables, income tax liabilities and provisions.

The total current liabilities in the carve-out statement of financial position as at 30 September 2025 were EUR 150.6 million, an increase of EUR 36.7 million as compared to EUR 113.9 million in the carve-out statement of financial position as at 31 December 2024. The increase was mainly due to an increase in cash-pool liabilities to related parties and the transfer of deferred consideration from non-current liabilities to current liabilities.

The total current liabilities in the carve-out statement of financial position as at 31 December 2024 were EUR 113.9 million, an increase of EUR 0.3 million as compared to EUR 113.6 million in the carve-out statement of financial position as at 31 December 2023. There was an increase in cash-pool liabilities to related parties, however, trade and other payables and lease liabilities decreased.

The total current liabilities in the carve-out statement of financial position as at 31 December 2023 were EUR 113.6 million, a decrease of EUR 0.3 million as compared to EUR 113.9 million in the carve-out statement of financial position as at 31 December 2022. The decrease was mainly due to a decrease in cash-pool liabilities to related parties. The decrease was partly offset by an increase in trade and other payables.

Commitments and contingent liabilities

The following table sets forth the New Lassila & Tikanoja's commitments and contingent liabilities that are not recognised in the statement of financial position:

In EUR million	As at 30 September	As at 31 December		
	2025	2024	2023	2022
	(unaudited)		(audited)	
Collaterals for own commitments				
Company mortgages	0.5	0.5	0.5	2.0
Other securities	0.0	0.0	0.0	0.0
Bank guarantees required for environmental permits	27.3	25.0	26.6	17.4
Other bank guarantees	7.1	5.7	5.3	4.3
Liabilities on behalf of the joint venture				
Account limit	-	-	2.8	2.8
Bank guarantees	16.5	16.5	16.5	16.5
Term loan facility guarantee	-	-	11.0	16.5
Revolving credit facility	-	-	5.5	-
Future lease payments				
Within one year	0.0	0.0	0.0	0.0
Over one year	0.0	0.0	0.0	0.1

The New Lassila & Tikanoja has a 55 per cent holding in Laania Ltd, a joint venture established on 1 July 2022 together with Neova Oy. The amount of the liabilities on behalf of the joint venture is disclosed as the New Lassila & Tikanoja's share of the maximum amount of liability, in relation to the New Lassila & Tikanoja group's holding.

Future lease payments consist of minimum leasing commitments related to lease agreements for low-value assets, to which the group has elected to apply recognition exemption permitted by IFRS 16. More information on leases has been presented in notes 1.6 Expenses related to leases and 3.4 Right-of-use assets and lease liabilities to the Carve-out financial statements included in the F-pages of this Prospectus.

The New Lassila & Tikanoja is party to a few disputes related to its ordinary business operations. The outcomes of these disputes are not expected to have a material effect on the New Lassila & Tikanoja's financial position.

See also "*Risk Factors—Risks relating to the Demerger—The New Lassila & Tikanoja may become liable for certain obligations of the Demerging Company following the Effective Date, and such obligations could have a material adverse effect on the New Lassila & Tikanoja's business, financial position and results of operations*".

Liabilities arising from employee benefits

The New Lassila & Tikanoja group's employee benefits include wages, salaries and bonuses paid to employees, post-employment benefits (defined contribution plans), share-based payments and other personnel expenses (statutory social security costs). Under defined contribution plans, the New Lassila & Tikanoja pays fixed contributions for pensions, and it has no legal or factual obligation to pay further contributions. Contributions to defined contribution plans are recognised in the income statement in the financial period to which they relate.

The pension liabilities in the carve-out statement of financial position was EUR 0.1 million as at 30 September 2025, EUR 0.1 million as at 31 December 2024, EUR 0.1 million as at 31 December 2023 and EUR 0.1 million as at 31 December 2022.

The group has pension deposits in Sweden concerning a few people. The New Lassila & Tikanoja has no legal or factual obligation to pay further contributions to these arrangements. The value of the deposits is recognised in other non-current receivables, and a corresponding liability is recognised in pension liabilities.

Financial risk management

The New Lassila & Tikanoja has historically been part of the Demerging Company's group, and its financial risks have been managed centrally by Demerging Company's group's finance function, which is managed by the Chief Financial Officer. The principles for financial risk management are defined in the treasury policy approved by the Board of Directors of the Demerging Company. The purpose of financial risk management is to mitigate significant financial risks and reduce the adverse effects of fluctuations in the financial market and other risk factors on the group's result. In connection with the Demerger, the New Lassila & Tikanoja will establish its own finance function and develop its own financial risk management policy to maintain an effective risk management function.

For more information on the New Lassila & Tikanoja's financial risk management as part of the Demerging Company's group, see note 4.2 to the Carve-out financial statements of the New Lassila & Tikanoja included in the F-pages of this Prospectus.

Management estimates and assumptions requiring judgement

In addition to the carve-out principles and related estimates and assumptions applied in the New Lassila & Tikanoja's carve-out financial information as described in section *"—Carve-out financial information and factors affecting comparability—Carve-out Principles Applied in Preparing the New Lassila & Tikanoja's Carve-out Financial Information*" above and in note "Background and basis of preparation" to the Carve-out financial statements included in the F-pages to this Prospectus, in preparing the IFRS financial statements, the Demerging Company's management is required to make estimates and assumptions about the future, the outcomes of which may differ from those estimates and assumptions. The Demerging Company's management must also exercise judgement when making decisions regarding the selection and application of accounting principles.

Judgement-based decisions particularly concern cases where the applicable IFRS Accounting Standards provide alternative methods for recognition, measurement, or presentation.

The preparation of financial statements requires management to use estimates and assumptions that affect the amounts of assets and liabilities at the statement of financial position date, as well as the income and expenses for the financial period. The estimates and assumptions are based on management's best knowledge at the time of preparing the financial statements, previous experience, and the most probable assumptions regarding the future at the statement of financial position date. The most significant area in which management has exercised such judgement relates to the measurement of assets and liabilities recognised in connection with acquired businesses.

The key assumptions concerning the future and the key sources of estimation uncertainty after the end of the reporting period, which present the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed in the following notes to Carve-out financial statements included in the F-pages to this Prospectus:

	Note
Estimates and assumptions requiring management judgement	
Revenue from contracts with customers	1.2
Other non-current liabilities	2.4
Provisions	2.5
Goodwill impairment testing	3.2
Right-of-use assets and lease liabilities	3.4
Business acquisitions	5.3

THE BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of the Company, responsibility for the management and governance of the New Lassila & Tikanoja are divided between the shareholders, the Board of Directors and the President and CEO of the New Lassila & Tikanoja. In addition, the Management assists the President and CEO in the daily operations of the New Lassila & Tikanoja.

The shareholders of the New Lassila & Tikanoja exercise their decision-making power at the New Lassila & Tikanoja's General Meeting. Pursuant to the New Lassila & Tikanoja's Articles of Association, the Annual General Meeting shall be held annually by the end of April on the date decided by the Board of Directors. The matters to be addressed at the Annual General Meeting are defined in the Finnish Companies Act and the New Lassila & Tikanoja's Articles of Association.

The shareholders participate in the administration and management of the New Lassila & Tikanoja through resolutions passed at the General Meetings. The General Meeting of the New Lassila & Tikanoja is convened upon notice given by the Board of Directors. In addition, a General Meeting of the New Lassila & Tikanoja is held when requested in writing by the auditor of the New Lassila & Tikanoja or by shareholders representing at least one-tenth of all the shares of the New Lassila & Tikanoja in order to discuss a certain matter.

The address of the Board of Directors, President and CEO and Management is Valimotie 16, 00380 Helsinki.

Corporate Governance

In addition to applicable laws and regulations, the rules and recommendations of Nasdaq Helsinki and the Articles of Association, the New Lassila & Tikanoja will apply the Finnish Corporate Governance Code 2025 and does not intend to deviate from any of its recommendations. In its governance the New Lassila & Tikanoja adheres to its Articles of Association and Finnish laws, particularly the Finnish Companies Act, the Accounting Act (1336/1997, as amended, the "**Accounting Act**"), securities market legislation and other rules and regulations applicable to the governance of a public limited company. Additionally, the New Lassila & Tikanoja's operations are guided by its values and internal operating principles.

The Finnish Corporate Governance Code 2025 is issued by the Finnish Securities Market Association and it is publicly available on the website of the Finnish Securities Market Association at https://cgfinland.fi/en/corporate-governance-code/. If the New Lassila & Tikanoja were to deviate from the recommendations of the Finnish Corporate Governance Code in the future, the New Lassila & Tikanoja would have to disclose such deviations together with explanatory notes. The Finnish Securities Market Association published its proposal for a revised Corporate Governance Code on 4 July 2025. The revision focuses not only on taking into account sustainability aspects and recent sustainability regulation, but also on, for example, proposals for developing remuneration reporting. The New Lassila & Tikanoja will apply the revised Corporate Governance Code from its entry into force.

Decision Making Prior to the Effective Date

Since the New Lassila & Tikanoja will not be incorporated until the Effective Date, the Board of Directors and the President and CEO of the Demerging Company have the right to make certain decisions, which fall within their respective competences, on behalf of the New Lassila & Tikanoja in accordance with the Demerger Plan prior to the Effective Date.

Board of Directors

Pursuant to the proposed Articles of Association of the New Lassila & Tikanoja, the Board of Directors shall comprise of a minimum of three (3) and a maximum of eight (8) members elected by the Annual General Meeting. The term of office of the members of the Board of Directors will expire at the end of the first Annual General Meeting following the election. The General Meeting elects the Chair and the Vice Chair of the Board of Directors.

In the Demerger Plan, it is proposed that the Extraordinary General Meeting of the Demerging Company resolving on the Demerger convened to be held on 4 December 2025 shall decide on the election and the number of members of the Board of Directors of the New Lassila & Tikanoja. The Board of Directors of the Demerging Company has based on the on the recommendation of the Shareholders' Nomination Board proposed to the Extraordinary General Meeting that the number of the New Lassila & Tikanoja's members of the Board of Directors be five (5). The Board of Directors of the Demerging Company has based on the recommendation of the Shareholders' Nomination Board proposed to the Extraordinary General Meeting that Jukka Leinonen be elected as the Chair of the Board of Directors of the New Lassila & Tikanoja, that Sakari Lassila be elected as Vice Chair, and that Tuija Kalpala, Teemu Kangas-Kärki and Anna-Maria Tuominen-Reini be elected as other members of the Board of Directors.

The term of office of the members of the Board of Directors shall commence on the Effective Date and expire at the end of the first Annual General Meeting of the Receiving Company following the Effective Date.

The Board of Directors is responsible for the New Lassila & Tikanoja's administration and the appropriate organisation of its operations. The Board of Directors decides on company-wide significant matters of principal importance, such as the strategy, key investments, organisation and financial affairs. The Board of Directors has prepared a written charter for its operations, defining the Board of Directors' and its Chair's key duties and operating principles. Furthermore, the Board of Directors appoints and dismisses the President and CEO, supervises their actions and decides on their remunerations and other terms and conditions of employment and/or the President and CEO contract of service.

The Board of Directors shall convene in accordance with a schedule agreed in advance and as needed. The Board of Directors constitutes a quorum when more than half of the elected members are present. When this proportion is calculated, disqualified members are excluded. Minutes are kept of all meetings of the Board of Directors.

The Demerging Company has proposed to elect the following members to the Board of Directors of the New Lassila & Tikanoja:

	Position	Citizenship	Year of Birth
Jukka Leinonen	Chair of the Board of Directors	Finnish	1962
Sakari Lassila	Vice Chair of the Board of Directors	Finnish	1955
Tuija Kalpala..	Member of the Board of Directors	Finnish	1980
Teemu Kangas-Kärki	Member of the Board of Directors	Finnish	1966
Anna-Maria Tuominen-Reini	Member of the Board of Directors	Finnish	1974

Name:	Background:
Jukka Leinonen Born 1962, *Master of Science (Technology)* **Chair of the Board of Directors**	*Telenor ASA,* EVP (Head of Nordics) and Member of the Leadership Team (2019–2022) *DNA Plc,* CEO (2013–2021), VP, Corporate Business (2010–2013) *TeliaSonera*, various management positions in corporate business sales, marketing and product management (2002–2009) *Sonera Oyj*, management positions (2000–2002) *Sonera Solutions Oy (Yritysverkot Oy),* President and CEO (1996–1999) **Memberships in other Boards of Directors and positions of trust** *Pihlajalinna Plc*, Chair of the Board (2023–) *Posti Group Corporation*, Vice Chair of the Board (2022–) *DNA Plc*, Chair of the Board (2021–2022) *Confederation of Finnish Industries*, Member of the Representative Council (2020–2021) *Altia Group*, Member of the Board (2020–2021) *The Finnish Federation for Communications and Teleinformatics FiCom ry*, Chair of the Board (2019–2021), Member of the Board (2013–2018) *Service Sector Employers PALTA ry*, Member of the Board (2013–2017)
Sakari Lassila Born 1955, *Master of Science (Economics)* **Vice Chair of the Board of Directors**	*Indcrea Oy*, Managing Director (2008–2018) *Cupori Group Oy*, Member of the Management Board (2008–2014) *Cupori AB*, Managing Director (2012–2014) *Carnegie Investment Bank AB*, Finland Branch, Executive positions (2002–2005) *Alfred Berg Finland Oyj Abp*, Executive positions within investment banking (1994–2002) *Citibank Oy*, Head of Corporate Bank (1991–1994) *Union Bank of Finland*, Supervisory and Executive Positions (1983–1991) **Memberships in other Boards of Directors and positions of trust** *Evald ja Hilda Nissin säätiö sr*, Vice Chair of the Board and Member (1987–)

	Aplagon Ltd, Chair of the Board (2009–)
Tuija Kalpala Born 1980, *Master of Science (Economics)* **Member of the Board of Directors**	*Betolar Oyj*, President and CEO (2024–), Chief Operating Officer (2023–2024) *Neste Corporation*, Vice President, Marketing, Data & Insights, Marketing & Services (2023), Head of Strategy Development and Execution, Renewable Polymers and Chemicals, Germany (2021–2023), Commercial Operations Manager, North America, Global Logistics and Operations (2017–2021) and other roles related to business development, supply and trading (2004–2017) **Memberships in other Boards of Directors and positions of trust** –
Teemu Kangas-Kärki Born 1966, *Master of Science (Economics)* **Member of the Board of Directors**	*Nokian Tyres plc*, Chief Financial Officer (2018–2023) *Fiskars Corporation*, Chief Operating Officer and Deputy to the CEO (2017–2018), Interim President (2017), Chief Operating Officer and Chief Financial Officer and Deputy to the CEO (2014–2017), President, Home business area (2012–2014) and Chief Financial Officer (2008–2012) *Alma Media Corporation*, Chief Financial Officer (2003–2008) *Kesko Corporation*, Corporate Controller (2002–2003) and Corporate Business Controller (2000–2001) *Nestlé Finland Ltd*, Finance Director (1999–2000) *Smith & Nephew Oy*, Financial Manager (1996–1998) *Unilever Oy & Gmbh*, Marketing Controller & Internal Auditor (1992–1996) **Memberships in other Boards of Directors and positions of trust** *Marimekko Corporation*, Vice Chair of the Board, Chair of the Audit and Remuneration Committee (2022–)
Anna-Maria Tuominen-Reini Born 1974, *Master of Science (Economics)* **Member of the Board of Directors**	*Scanfil plc*, Chief Supply Chain Officer, (2025–) *Tuominen Capital Oy,* President and CEO, (2025–) *Billerud AB*, Senior Vice President, Procurement and Wood Supply, (2024–2025), Executive Vice President, Procurement and Wood Supply (2021–2023) *AB Marmaskog*, Managing Director (2021–2024) *Metso Outotec Corporation*, Vice President, Procurement, BA Services (2020–2021), Outotec, Senior Vice President, Sourcing and Manufacturing (2019–2020) *Stora Enso Oyj*, Senior Vice President, Supply Chain, Packaging Solutions and other roles (2011–2019) *Unilever Plc*, Supply Chain Director and other roles (2007–2011) *Huhtamäki Oyj*, Demand Manager, Foodservice Europe and other roles in marketing and supply chain (2003–2007) *Cebal (Pechiney Group)*, various roles in marketing, sales and supply chain (1997–2003) **Memberships in other Boards of Directors and positions of trust** *Aisti Corporation Oy,* Member of the Board (2025–) *Varova Oy,* Member of the Board (2025–) *Metsäkuutio Oy,* Member of the Board (2025–) *Henkilöstöpalvelu Heimo Oy*, Member of the Board (2024–) *Cinis Fertilizer AB*, Member of the Board (2023–) *Bergvik Skog Öst AB*, Member of the Board (2021–2024)

Committees of the Board of Directors

General

The Board of Directors may establish committees to assist the Board of Directors in the preparation and performance of its duties and responsibilities and determine their sizes, compositions and tasks. The proposed members of the Board of Directors of the New Lassila & Tikanoja have agreed that if they will be elected to serve as members of the Board of

Directors, they will establish an audit committee (the "**Audit Committee**") and a personnel and sustainability committee (the "**Personnel and Sustainability Committee**"), and adopt written charters setting forth the purpose, composition, operation and duties of the committees. The Board of Directors would elect the members and the chairs for the committees from among its members. Members are appointed for a term of office which expires at the closing of the next Annual General Meeting following the election.

In addition to the aforementioned committees, the Board of Directors may appoint ad hoc committees for the preparation of specific matters. The Board of Directors does not generally approve charters for such committees and does not release information on their term, composition, the number of meetings or the members' attendance rates.

The committees of the Board of Directors do not have independent decision-making authority in matters within the competence of the Board of Directors, but they assist the Board of Directors by preparing such matters. The committees of the Board of Directors shall regularly report on their work to the Board of Directors.

Audit Committee

The following description of the Audit Committee is based on the planned framework for the committee as agreed upon by the proposed members of the Board of Directors. The Audit Committee shall comprise at least three (3) members. Committee members must not participate in the daily management of the New Lassila & Tikanoja, and the majority of the committee members must be independent of the New Lassila & Tikanoja. Additionally, at least one committee member must be independent of the New Lassila & Tikanoja's significant shareholders.

The committee's task is, in greater detail than is possible for the Board as a whole, to review the auditing work, the auditors' fees, the internal controls, the scope of the internal and external audits, the New Lassila & Tikanoja's financial policies, and other procedures for managing the New Lassila & Tikanoja's risks. A particular purpose of the Audit Committee is to assist the Board of Directors in fulfilling its responsibility to oversee the management's conduct of the financial and sustainability reporting processes. The committee's tasks also include preparing the selection of the auditor and the verifier of the sustainability report, assessing the independence of the auditor and the verifier of the sustainability report, as well as other tasks assigned to the committee by the Board of Directors.

In discharging its oversight role, the Audit Committee is empowered to investigate any matter within its scope of authority, including access to all records and personnel of the New Lassila & Tikanoja, and it also has the authority to retain outside expertise for this purpose. The secretary to the committee shall be nominated by the Board of Directors and minutes shall be prepared for each committee meeting.

Members of the Audit Committee must have sufficient expertise and experience, taking into account the committee's area of responsibility and mandatory tasks related to auditing. At least one member of the committee must have expertise in accounting or auditing. The Audit Committee convenes regularly at least four (4) times a year.

The proposed members of the Board of Directors have informed the Demerging Company that, assuming they are elected as members of the Board of Directors of the New Lassila & Tikanoja, the following members will form the Audit Committee: Teemu Kangas-Kärki (Chair), Sakari Lassila and Anna-Maria Tuominen-Reini.

Personnel and Sustainability Committee

The following description of the Personnel and Sustainability Committee is based on the planned framework for the committee as agreed upon by the proposed members of the Board of Directors. The Personnel and Sustainability Committee shall comprise at least three (3) members. The majority of committee members must be independent of the New Lassila & Tikanoja. The New Lassila & Tikanoja's President and CEO or any other person in the Management may not be a member of the Personnel and Sustainability Committee.

The committee is responsible for preparing a proposal to the Board of Directors regarding the appointment of the President and CEO and the terms of their service, and prepares the nomination, succession and remuneration issues of other top management members as needed before board approval. The committee prepares the remuneration policy and remuneration report for the New Lassila & Tikanoja's governing bodies. Furthermore, the Personnel and Sustainability Committee prepares the New Lassila & Tikanoja's remuneration strategy and compensation systems to be used and follows their outcome and functionality. The Personnel and Sustainability Committee monitors and evaluates the development of sustainability within the group. Additionally, the committee monitors the development of the New Lassila & Tikanoja's operating environment and regulatory framework. The committee's tasks also include monitoring and evaluating the development of occupational safety and work ability issues. The secretary to the committee shall be nominated by the Board of Directors from the operative management team and minutes shall be prepared for each committee meeting. The Personnel and Sustainability Committee as a whole must have the expertise and experience required to perform its duties and responsibilities. Committee members must have sufficient expertise and experience in personnel management and various remuneration systems. The Personnel and Sustainability Committee convenes regularly at least four (4) times a year.

The proposed members of the Board of Directors have informed the Demerging Company that assuming they are elected as members of the Board of Directors of the New Lassila & Tikanoja, the following members will form the Personnel and Sustainability Committee: Jukka Leinonen (Chair), Sakari Lassila and Tuija Kalpala.

Shareholders' Nomination Board

The Board of Directors of the Demerging Company has proposed to the Extraordinary General Meeting of the Demerging Company resolving on the Demerger that a Shareholders' Nomination Board (the "**Nomination Board**") be established for the New Lassila & Tikanoja and that its charter be adopted. The Nomination Board shall be responsible for preparing and presenting proposals concerning the remuneration and number of members of the Board of Directors, as well as proposal on the members of the Board of Directors, the Chair of the Board of Directors and the Vice Chair of the Board of Directors to the Annual General Meeting and, where needed, to an Extraordinary General Meeting. The Nomination Board shall also be responsible for identifying successors for existing Board members. The Nomination Board is established until further notice, until otherwise decided by the General Meeting.

The Nomination Board consists of four (4) members, of which the three (3) largest shareholders of the New Lassila & Tikanoja are each entitled to nominate one (1) member each. The person holding the position of Chair of the New Lassila & Tikanoja's Board of Directors at the relevant time shall serve as the fourth member of the Nomination Board.

Because the proposed Charter of the Shareholders' Nomination Board of the New Lassila & Tikanoja provides that the right to appoint members to the Nomination Board is determined annually based on the registered holdings as per the first weekday in September, but the Effective Date is 31 December 2025, the Board of Directors of the Company has proposed to the Extraordinary General Meeting that the first appointment of members of the Nomination Board be carried out in deviation from the proposed Charter as follows:

i. The New Lassila & Tikanoja's largest shareholders entitled to appoint members to the Nomination Board shall be determined based on registered holdings in the New Lassila & Tikanoja's shareholders' register held by Euroclear Finland Ltd. on 14 January 2026. Shareholders who have distributed their holdings into several funds shall make a written request to the Chair of the Board of Directors and to the General Counsel of the New Lassila & Tikanoja no later than on 14 January 2026, if such shareholder wishes that their holdings in such funds be considered when calculating the shares which determine the nomination right. A holder of nominee registered shares who wishes to utilise its nomination right shall, no later than on 14 January 2026, deliver reliable evidence of the amount of their shareholdings to the Chair of the Board of Directors and to the General Counsel of the New Lassila & Tikanoja. A group of shareholders who wish to appoint a joint representative to the Nomination Board shall make a written request thereof to the Chair of the Board of Directors and to the General Counsel of the New Lassila & Tikanoja no later than on 14 January 2026.

ii. The Chair of the Board of Directors of the New Lassila & Tikanoja shall no later than on 14 January 2026 request each of the three largest shareholders determined in the manner set forth in the proposed Charter (taking into account the deviation provided for in item (i)) to appoint a member to the Nomination Board.

iii. Additionally, in deviation from the proposed Charter, the Nomination Board shall submit its proposals for 2026 to the Board of Directors of the New Lassila & Tikanoja in time for them to be included in the notice to the 2026 Annual General Meeting, however, not later than on 27 February 2026.

The President and CEO and the Management

According to the Demerger Plan, the President and CEO of the New Lassila & Tikanoja shall be appointed by the Board of Directors of the Demerging Company prior to the completion of the Demerger. In accordance with the Demerger Plan, the Board of Directors of the Demerging Company appoints Eero Hautaniemi as the President and CEO of the New Lassila & Tikanoja. Eero Hautaniemi's term as President and CEO shall commence on the Effective Date.

According to the Demerger Plan, in the event that the President and CEO of the New Lassila & Tikanoja resigns, is dismissed or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of the Demerging Company shall have the right to appoint a new President and CEO of the New Lassila & Tikanoja until the Effective Date. Thereafter, the Board of Directors of the New Lassila & Tikanoja shall have the right to appoint the President and CEO of the New Lassila & Tikanoja.

The CEO is responsible for the day-to-day management, supervision and administration of the New Lassila & Tikanoja in the manner provided by the Finnish Companies Act, corporate governance principles and in accordance with the instructions and orders given by the Board of Directors. The President and CEO is responsible for organising the day-to-day administration of the New Lassila & Tikanoja and ensuring that the Receiving Company's accounting complies with applicable legislation and that the Receiving Company's financial management is reliably organised. The President and CEO prepares matters for decision by the Board of Directors, develops the Receiving Company in accordance with the goals agreed with the Board of Directors, and ensures the proper implementation of the Board of Directors' decisions. The President and CEO is not a member of the Board of Directors but participates in board meetings and shall be heard at the meetings.

The Management of the New Lassila & Tikanoja assists the President and CEO in planning of the operations, operational management and decision making. Additionally, the Management prepares matters to be considered by the Receiving Company's Board of Directors and assists the President and CEO in implementing the resolutions of the Board of Directors as well as the Receiving Company's strategy. The Management considers, among other things, matters related to the business and the development of operations as well as matters related to supervision. The Management consists of the Receiving Company's President and CEO and Chief Financial Officer as well as other members approved by the Board of Directors. The Management shall convene on a regular basis.

The table below presents the members of the New Lassila & Tikanoja's Management, whose appointment is expected to take effect on the Effective Date:

	Position	**Citizenship**	**Year of Birth**
Eero Hautaniemi	President and CEO	Finnish	1965
Joni Sorsanen	Chief Financial Officer	Finnish	1983
Antti Tervo	Senior Vice President, Growth and Operations	Finnish	1978
Juha Saarinen	Chief Purchasing Officer	Finnish	1974
Hilppa Rautpalo	Senior Vice President, Legal, HR and EHSQ	Finnish	1974
Jorma Mikkonen	Senior Vice President, Corporate Relations and Responsibility	Finnish	1963
Edward Skärström	Chief Information Officer	Finnish	1974

Name:	**Background:**
Eero Hautaniemi Born 1965, *Master of Science (Economics)* **President and CEO**	*Lassila & Tikanoja plc,* President and CEO (from 2019 until the completion of the Demerger) *Oriola Corporation,* President and CEO (2006–2017) *GE Healthcare Finland Oy,* President (2004–2005) and GE Healthcare IT, Oximetry, Supplies and Accessories business area, General Manager (2003–2004) *Instrumentarium plc*, specialist and executive positions (1990–2003) **Memberships in other Boards of Directors and positions of trust** *Laania Ltd,* Member of the Board (2022–) *Ilmarinen Mutual Pension Insurance Company,* Member of the Supervisory Board (2019–) *Ruoto Oy*, Chair of the Board (2024–) *Helsinki Chamber of Commerce*, Member of the Board (2025–)
Joni Sorsanen Born 1983, *Master of Science (Economics)* **Chief Financial Officer**	*Lassila & Tikanoja plc,* Chief Financial Officer (from 2024 until the completion of the Demerger) *Consti Plc,* Chief Financial Officer (2018–2024) *Caverion Corporation,* Head of Group Project Control (2017–2018) *Consti Plc,* Head of Investor Relations & Group Controller (2016–2017) *Cramo Corporation,* various group finance and development tasks, including Business Controller (2009–2016) *Ernst & Young Oy,* Consultant (2007–2008) **Memberships in other Boards of Directors and positions of trust** –
Antti Tervo Born 1978, *Master of Science (Economics)*	*Lassila & Tikanoja plc*, Senior Vice President, Circular Economy Business Area (from 2024 until the completion of the Demerger), Senior Vice President, Environmental and Industrial Services (5-12/2024), Senior Vice President, Industrial Services (2014–2024) and Chief Officer Responsible for Procurement and Supply Chain, (2012–2014)

Senior Vice President, Growth and Operations	*Siemens*, North West Europe, Head of Commodity Management (2009–2012) and Project Manager, Procurement & Supply Chain Management (2008–2009) *Siemens Oy*, Director, Procurement (2005–2009), Procurement Manager (2003–2005) and Supply Chain Consultant (2001–2003) **Memberships in other Boards of Directors and positions of trust** –
Juha Saarinen Born 1974, *Master of Science (Technology)* **Chief Purchasing Officer**	*Lassila & Tikanoja plc,* Chief Purchasing Officer (from 2024 until the completion of the Demerger) *Kamux plc*, Chief Purchasing Officer (2022–2024) *Metso plc*, Vice President, Indirect Procurement (2019–2022) *KONE plc*, Head of Indirect Sourcing and other roles (2011–2019) *Nokia Mobile Phones*, Head of Smart Devices Mechanics Sourcing and other roles (1999–2011) **Memberships in other Boards of Directors and positions of trust** –
Hilppa Rautpalo Born 1974, *Master of Laws (trained at the bench)* **Senior Vice President, Legal, HR and EHSQ**	*Lassila & Tikanoja plc*, General Counsel and Senior Vice President, HR and Legal (from 2024 until the completion of the Demerger), Senior Vice President, Human Resources (2020-2024) *Arctia Ltd*, Senior Vice President, Human Resources and Legal Affairs (2018–2019) *Unisport-Saltex Group*, General Counsel and Senior Vice President, Human Resources (2017–2018) *Ekokem Ltd*, General Counsel and Senior Vice President, Human Resources (2013–2017) *Peltonen, Ruokonen & Itäinen Ltd*, *RegLex* Oy, Attorney-at-law (2009–2013) *Amer Sports plc*, Senior Legal Counsel (2007–2009) *Metsä Group*, Legal Counsel (2000–2007) **Memberships in other Boards of Directors and positions of trust** *Laania Ltd*, Deputy Member of the Board (2024–) *Finnpilot Pilotage Oy*, Member of Board (2020–)
Jorma Mikkonen Born 1963, *Master of Laws* **Senior Vice President, Corporate Relations and Responsibility**	*Lassila & Tikanoja plc*, Senior Vice President, Corporate Relations and Responsibility (from 2012 until the completion of the Demerger), Division Manager, Environmental Services (2009–2012) and Division Manager, Industrial Services (2000–2009) *Säkkiväline Oy*, Administrative Director (1999–2000) and Corporate Lawyer (1992–1999) *Helsinki Finnish Savings Bank*, Corporate Lawyer (1991–1992) **Memberships in other Boards of Directors and positions of trust** *Chamber of Commerce*, Member of the Economic and Climate Committee (2022–) *Laania Ltd*, Member of the Board (2022–) *The Recycling Industries of Finland*, Member of the Board (2013–) *LähiTapiola*, Member of Supervisory Board (2008–) *Employers' Federation of Road Transport (ALT)*, Member of the Board (2001–)
Edward Skärström Born 1974, *Bachelor of Economic Sciences (Information Systems)* **Chief Information Officer**	*Lassila & Tikanoja plc,* Chief Information Officer (from 2023 until the completion of the Demerger) *Teknos*, Chief Information Officer (2017–2022) and ICT Manager (2015–2017) IFS Finland, Consulting Manager (2007–2014) and Application Consultant / Project Manager (1999–2006) **Memberships in other Boards of Directors and positions of trust** –

Information on the Members of the Board of Directors and the Management

As at the date of this Prospectus, none of the members of the New Lassila & Tikanoja's Board of Directors or Management has, in the previous five years:

- been convicted in relation to fraudulent offences or violations;
- held a managerial position, been in the executive management, been a member of the administrative, management or supervisory bodies of any company or acted as a general partner in a limited partnership at the time of its bankruptcy, administration of an estate or liquidation (excluding voluntary liquidation proceedings with a purpose of dissolving the company); or
- been subject to any official public incrimination and/or sanctions by any statutory or supervisory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Conflicts of Interest

The provisions regarding the conflicts of interest of the Board of Directors and the President and CEO are set forth in the Finnish Companies Act. Pursuant to the Finnish Companies Act, the members of the Board of Directors or the President and CEO may not participate in the handling of a contract between them and the company. Pursuant to Chapter 6, Section 4(a) of the Finnish Companies Act, a member of the Board of Directors of a publicly listed company may not participate, in the Board of Directors of the company or of its subsidiary, in the handling of a matter pertaining to a contract between the company and a third party, should the member in question be in a related party relationship with such third party and the action in question does not fall within the ordinary course of business of the company or is not concluded on customary commercial terms. A decision concerning such a matter is valid if it is supported by the required majority of those members of the Board of Directors of the publicly listed company or its Finnish subsidiary who are not in a related party relationship with the matter at hand. The President and CEO is subject to the above-mentioned provisions related to the incapacity of a member of the Board of Directors of a public listed company in the decision-making of its subsidiary. What is stated above regarding the agreement is also applicable to other legal acts and legal proceedings, and to the exercise of the right to speak. The Finnish Companies Act contains no provisions on the conflicts of interest of the members of the Management.

To the knowledge of the Demerging Company, notwithstanding any shares they hold directly or indirectly, the proposed members of the Board of Directors, the President and CEO and the other members of the Management do not have any conflicts of interest between their duties to the New Lassila & Tikanoja and their private interests and/or their other duties. There are no family relationships between the proposed members of the New Lassila & Tikanoja's Board of Directors, the President and CEO or the other members of its Management.

Management Remuneration

Compensation of the Members of the Board of Directors

Pursuant to the proposed Articles of Association, the General Meeting determines the remuneration payable to the members of the Board of Directors. According to the Demerger Plan, resolutions on the remuneration of the Board of Directors will be passed in the Extraordinary General Meeting of the Demerging Company resolving on the Demerger. The New Lassila & Tikanoja will be solely responsible for paying the remuneration of the Board of Directors of the New Lassila & Tikanoja and all other costs and liabilities related thereto also as regards the remuneration or any cost or liability that may potentially relate wholly or partially to the period preceding the Effective Date. The Extraordinary General Meeting of the Demerging Company resolving on the Demerger shall resolve on approving the remuneration paid to the members of the Board of Directors of the New Lassila & Tikanoja based on their activities prior to the Effective Date as members of the Demerger Committee established by the Board of Directors of the Demerging Company.

The Board of Directors of the Demerging Company has proposed to the Extraordinary General Meeting that yearly remuneration be paid to the members of the New Lassila & Tikanoja's Board of Directors as follows: EUR 70,000 to the Chair of the Board of Directors, EUR 47,000 to the Vice Chair of the Board of Directors, EUR 35,000 to each member of the Board of Directors. However, if a member of the Board of Directors who is not the Chair or Vice Chair of the Board of Directors serves as the Chair of the Audit Committee or the Personnel and Sustainability Committee, their annual remuneration shall be EUR 47,000.

According to the proposal, approximately 40 per cent of the yearly remuneration will be paid in the New Lassila & Tikanoja's Shares and the rest in cash. In addition, the Board of Directors of the Demerging Company has proposed that the Chair of the Board of Directors of the New Lassila & Tikanoja be paid a meeting fee of EUR 1,000 per meeting, the Vice Chair of the Board of Directors EUR 700 per meeting and EUR 500 to each member of the Board of Directors. According to the proposal, the Chair and members of the committees set by the Board of Directors will also be paid a meeting fee, EUR 700 per meeting for the Chair of the committee and EUR 500 per meeting for each member.

Remuneration of the Leadership Team and the President and CEO

The Board of Directors decides on the terms and conditions of the President and CEO's executive service agreement, which are set out in a written CEO's service agreement. The Board also decides on the remuneration and its principles for the President and CEO and the members of the Leadership Team. The remuneration of the President and CEO and the Leadership Team of the New Lassila & Tikanoja consists of a monthly salary, customary fringe benefits and applicable incentive schemes in force at the relevant time.

The President and CEO's service agreement may be terminated on a six (6) months' notice. Upon termination of the contract by the Receiving Company for reasons other than a breach of the contract or without a cause in accordance with Chapter 8, Section 1 of the Finnish Employment Contracts Act (55/2001, as amended), the President and CEO shall be entitled to receive severance payment equivalent to twelve (12) months' salary in addition to the salary for the notice period.

The pension benefits of the President and CEO and the members of the Leadership Team are determined in accordance with applicable law.

Share-Based Incentive Plans

The purpose of the Demerging Company's long-term incentive plans is to commit their participants to the long-term interests and to enhance the shareholder value of the Demerging Company, as well as to offer a competitive, ownership-based reward scheme. The Demerging Company has the following share-based incentive plan under which share rewards remain to be paid on the date of this Prospectus:

- Performance-based share incentive plan 2023–2027, which includes three-year performance periods 2023–2025, 2024–2026 and 2025–2027 (the "**Performance Share Plan**"). During the performance periods, performance is measured based on the criteria set by the Demerging Company. The value of the rewards payable based on the ongoing performance periods corresponds to a maximum of 649,152 shares of the Demerging Company. The rewards payable based on the performance periods will be paid no later than five months after the end of the performance period in a combination of shares and cash.

According to the Demerger Plan, the Board of Directors of the Demerging Company have resolved on the effects of the Demerger on the Performance Share Plan's performance periods in accordance with the terms of the Performance Share Plan. For the 2023–2025 performance period of the Performance Share Plan, the result is calculated as per the number of the Demerging Company's shares and confirmed in euros. The reward amount earned in euros is converted into shares of the Performance Share Plan participant's employer company at the time of payment.

The New Lassila & Tikanoja intends, after the implementation of the Demerger, to continue the Demerging Company's existing Performance Share Plan on substantially the same terms, but with the amendment that the rewards will be in the New Lassila & Tikanoja's Shares instead of the Demerging Company's Shares and the rewards payable, as expressed in number of the New Lassila & Tikanoja Shares, will be adjusted accordingly. The rewards payable under the current Performance Share Plan for the performance periods 2024–2026 and 2025–2027 will be converted into Shares in the New Lassila & Tikanoja based on the formation of the price of the New Lassila & Tikanoja's Shares after the Listing.

The Board of Directors of the Demerging Company may also resolve on the introduction of new share-based incentive plans (including new performance periods and performance criteria for the Performance Share Plan) for the personnel of the Demerging Company. The Board of Directors of the Demerging Company may similarly resolve on matters concerning the participants of the Performance Share Plan who will transfer to the New Lassila & Tikanoja in connection to the Demerger. The decisions will bind the Demerging Company, the New Lassila & Tikanoja and the participants of the Performance Share Plan. Until the registration of the implementation of the Demerger, this also applies to the personnel transferring to the New Lassila & Tikanoja in the Demerger, after which the Board of Directors of the New Lassila & Tikanoja will resolve on the share-based incentive plans for the personnel transferring to the New Lassila & Tikanoja.

Following the completion of the Demerger, the Board of Directors of the New Lassila & Tikanoja will resolve on the details of the New Lassila & Tikanoja's share-based incentive plans.

The Board of Directors of the Demerging Company will resolve accordingly on the details of the adjustments to the Demerging Company's continuing Performance Share Plan after the Effective Date of the Demerger.

Management Holdings

Based on the shareholders' register of the Demerging Company, the members of the New Lassila & Tikanoja's Board of Directors, the President and CEO and the other members of the Management held, on 18 November 2025, 184,858 Shares and votes in the Demerging Company, corresponding to approximately 0.48 per cent of the outstanding shares and votes in the Demerging Company. According to the Demerger Plan, the shareholders of the Demerging Company will receive as demerger consideration one (1) Demerger Consideration Share for each share held in the Demerging Company on the Effective Date.

The following table sets forth the number of shares and votes in the Demerging Company held by the proposed members of the New Lassila & Tikanoja's Board of Directors and the Management as at 18 November 2025:

	Shares and votes	
Name	**No. of shares and votes**	**%**
Members of the Board of Directors		
Tuija Kalpala	1,486	0.00
Teemu Kangas-Kärki	10,693	0.03
Sakari Lassila	27,110	0.07
Jukka Leinonen	45,833	0.12
Anna-Maria Tuominen-Reini	1,486	0.00
Members of the Management		
Eero Hautaniemi	58,572	0.15
Joni Sorsanen	10,259	0.03
Antti Tervo	13,700	0.04
Juha Saarinen	516	0.00
Hilppa Rautpalo	4,804	0.01
Jorma Mikkonen	8,753	0.02
Edward Skärström	1,646	0.00
Total	**184,858**	**0.48**

Auditors

The Carve-out financial statements of the New Lassila & Tikanoja as at and for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022 have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant (KHT) Samuli Perälä as the auditor with the principal responsibility. Samuli Perälä is registered in the auditor register in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended).

Pursuant to Article 6 of the New Lassila & Tikanoja's proposed Articles of Association, the New Lassila & Tikanoja shall have one (1) auditor which must be an audit firm, whose appointed principal auditor must be an authorised public accountant. The auditor is elected for the company's financial year, and the auditor's term expires at the end of the first Annual General Meeting following the election.

The Board of Directors of the Demerging Company has proposed to the Extraordinary General Meeting convened to be held on 4 December 2025, that the audit firm PricewaterhouseCoopers Oy be elected as the auditor of the New Lassila & Tikanoja for a term expiring at the end of the New Lassila & Tikanoja's first Annual General Meeting. PricewaterhouseCoopers Oy has notified that Authorised Public Accountant (KHT) Samuli Perälä will act as the auditor with the principal responsibility. Samuli Perälä is registered in the auditor register in accordance with Chapter 6, Section 9 of the Finnish Auditing Act (1141/2015, as amended).

Sustainability reporting assurance providers

Pursuant to Article 6 of the New Lassila & Tikanoja's proposed Articles of Association, the New Lassila & Tikanoja will have a sustainability audit firm as the sustainability reporting assurance provider, and the appointed principal verifier must be an Authorised Sustainability Auditor (KRT). The sustainability reporting assurance provider's term of office is the company's financial year, and the sustainability reporting assurance provider's duties expire at the end of the first Annual General Meeting following the election.

The Board of Directors of the Demerging Company has proposed to the Extraordinary General Meeting convened to be held on 4 December 2025, that sustainability audit firm PricewaterhouseCoopers Oy be elected as the New Lassila & Tikanoja's sustainability reporting assurance provider in accordance with Chapter 7, Section 6a of the Finnish Companies Act. PricewaterhouseCoopers Oy has notified that Authorised Public Accountant, Authorised Sustainability Auditor Samuli Perälä would act as the principal sustainability reporting auditor.

OWNERSHIP STRUCTURE

As at the date of this Prospectus, the Demerging Company has 38,798,874 shares. According to the Demerger Plan, the shareholders of the Demerging Company shall receive as Demerger Consideration one (1) Demerger Consideration Share for each share they hold in the Demerging Company; i.e., the Demerger Consideration shall be issued to the shareholders of the Demerging Company in proportion to their shareholdings with a ratio of 1:1. No Demerger Consideration shall be issued to any treasury shares held by the Demerging Company. As at 20 November 2025, the Demerging Company held 587,150 treasury shares.

The following table sets forth shareholders whose direct or indirect holding would represent at least 5 per cent of the total number of Shares and votes in the New Lassila & Tikanoja as at the Effective Date, based on information available to the Demerging Company on 18 November 2025, assuming that there would be no changes in the ownership structure in the Demerging Company and the number of the Demerging Company's outstanding shares until the Effective Date:

Shareholder	Shares and votes	
	No. of shares and votes	%
Evald ja Hilda Nissin säätiö sr	3,496,487	9.15
Protector Forsikring ASA	2,014,377	5.27
Nordea Funds Ltd	1,951,870	5.11

As far as the Demerging Company is aware, the New Lassila & Tikanoja will not be directly or indirectly owned or controlled by any party, as control is defined in the Finnish Securities Markets Act. The Demerging Company is not aware of any arrangements or agreements concluded between its shareholders, which could affect the ownership or use of voting rights in the General Meetings of the New Lassila & Tikanoja or of any arrangements the operation of which may result in a change of control in the New Lassila & Tikanoja.

RELATED PARTY TRANSACTIONS

The New Lassila & Tikanoja's related parties include its subsidiaries, the Demerging Company and its subsidiaries, associated company Suomen Keräystuote Oy (until 1 July 2024), joint venture Laania Ltd and the L&T health insurance fund. The related parties also include key management personnel (members of the Board of Directors, the CEO and members of the management team) of both the New Lassila & Tikanoja and the Demerging Company's group, as well as their close family members and controlled entities.

A list of the group companies belonging to the New Lassila & Tikanoja, as well as associated companies and joint ventures, is presented in section "*Operating and Financial Review—Carve-out financial information and factors affecting comparability—Basis of Preparation of Carve-out Financial Information*". The New Lassila & Tikanoja has a Related Party Instruction, which defines the principles for identifying, declaring and publishing related party transactions.

The table below presents the portion of the expenses of the key management employees of the Demerging Company that are allocated to the New Lassila & Tikanoja in the carve-out financial information, for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022, and for the nine months periods ended 30 September 2025 and 30 September 2024, reflecting the management's contribution to the operations of the New Lassila & Tikanoja:

	1 January to 30 September		1 January to 31 December		
In EUR thousand	**2025**	**2024**	**2024**	**2023**	**2022**
	(unaudited)			**(audited)**	
Salaries and other short-term employee benefits	865.2	760.7	990.3	1,215.1	1,054.7
Bonuses	133.5	124.9	124.9	136.0	211.7
Termination benefits	-	457.4	494.7	-	-
Share-based payments	73.5	193.9	193.9	-	338.3
Pension expenses, statutory	76.3	83.4	104.2	106.5	84.0
Total	**1,148.6**	**1,620.3**	**1,908.0**	**1,457.7**	**1,688.7**

In the carve-out financial information, salaries and remuneration paid to the Board of Directors of the Demerging Company have also been allocated to the New Lassila & Tikanoja as follows: EUR 204 thousand in 2024, EUR 141 thousand in 2023 and EUR 150 thousand in 2022.

The New Lassila & Tikanoja has not operated as a standalone public limited liability company during the presented financial periods, and therefore the numbers above should not be considered indicative of the future remuneration of key management personnel of the New Lassila & Tikanoja's management.

There have not been any material changes in the remuneration of the key employees belonging to the Demerging Company's management and in the principles of allocating such costs to the New Lassila & Tikanoja for the carve-out financial information purposes since 30 September 2025. More information on the remuneration of the New Lassila & Tikanoja's future Board of Directors, the Leadership Team and the President and CEO after the Demerger is presented in section "*The Board of Directors, Leadership Team and Auditors—Management Remuneration*".

The below table presents the New Lassila & Tikanoja transactions with the Demerging Company's group on a carve-out basis for the periods indicated:

	1 January to 30 September		1 January to 31 December		
In EUR million	**2025**	**2024**	**2024**	**2023**	**2022**
	(unaudited)			**(audited)**	
Net sales	0.4	0.5	1.0	1.1	1.4
Purchases of materials and services	-0.2	-0.1	-0.2	-0.3	-0.3
Other operating expenses	-0.4	-0.6	-0.8	-0.7	-0.7
Financial income	0.1	0.0	0.1	0.1	0.1
Financial expenses	-1.7	-1.4	-1.7	-0.7	-0.3
Cash-pool receivables	0.1	0.0	0.1	0.3	20.5
Trade and other receivables	0.0	0.1	0.3	0.3	0.1
Cash-pool liabilities	35.2	21.8	11.6	1.4	6.9
Trade and other payables	0.1	0.2	0.1	0.1	0.2

Transactions with the Demerging Company's group are conducted at arm's length price. Sales by the New Lassila & Tikanoja to companies belonging to the Demerging Company's group consist of items typical of ordinary business operations, such as subcontracting services and sales of materials and supplies. Purchases and other operating expenses mainly comprise subcontracting service fees and other service purchases. Financial income and expenses consist of interest related to cash pool receivables and liabilities. Trade and other receivables as well as trade and other payables consist of items arising from ordinary business operations.

The below table presents the New Lassila & Tikanoja's business transactions with the joint venture Laania Ltd on a carve-out basis as at the dates or periods indicated:

	1 January to 30 September or as at 30 September		**1 January to 31 December or as at 31 December**		
In EUR million	**2025**	**2024**	**2024**	**2023**	**2022**
	(unaudited)			**(audited)**	
Net sales	2.3	2.6	3.1	2.2	0.6
Other operating income	-	-	-	-	0.3
Purchases of materials and services	-0.6	-0.7	-0.9	-1.3	-0.7
Trade and other receivables	0.0	0.1	0.0	0.0	0.0
Trade payables and other liabilities	0.0	-	-	-	-

In the first quarter of 2024, Laania Ltd paid dividends totalling EUR 1.8 million to the New Lassila & Tikanoja. In the last quarter of 2022, Laania Ltd repaid loans totalling EUR 16.4 million to the New Lassila & Tikanoja. In addition, the Demerging Company's group has also provided guarantees for Laania Ltd's financing arrangements. These guarantees have been allocated to the New Lassila & Tikanoja in the Carve-out financial statements. These guarantees are specified more in detail in note 4.4 Commitments and contingent liabilities in the Carve-out financial statements included in the F-pages of this Prospectus.

The Demerging Company and the New Lassila & Tikanoja will enter into transitional services agreements on certain services that the parties will provide either directly or through external service providers to each other for a transition period after the completion of the Demerger. More information on the transitional services agreement is presented in section "*Summary of the Demerger—Related Arrangements*".

SHARES AND SHARE CAPITAL

The New Lassila & Tikanoja will not be incorporated until the Effective Date and, therefore, the following information is based on the Demerger Plan and information available as at the date of this Prospectus regarding the New Lassila & Tikanoja's business. The Demerger Plan is attached to this Prospectus as Annex A.

General Information on the New Lassila & Tikanoja

All assets, debts and liabilities of the Demerging Company relating to the Circular Economy Business Area or mainly serving the Circular Economy Business Area of the Demerging Company shall in the Demerger be transferred to a company which, according to the Demerger Plan, is proposed to adopt the company name Lassila & Tikanoja Oyj in Finnish and Lassila & Tikanoja Plc in English. The domicile of the New Lassila & Tikanoja shall be Helsinki. The New Lassila & Tikanoja shall become a public limited liability company established in Finland and governed by Finnish law. The New Lassila & Tikanoja shall be registered in the Trade Register with the business ID 3555336-9 and its LEI code shall be 636700EBB0SA4501AT18. The address of the New Lassila & Tikanoja shall be Valimotie 16, 00380, Helsinki, Finland, and its telephone number shall be +358 10 636 111. The establishment of the New Lassila & Tikanoja is expected to be registered in the Trade Register on the Effective Date.

According to Section 2 of the proposed Articles of Association of the New Lassila & Tikanoja, the New Lassila & Tikanoja's field of operations is to practise, either directly or through subsidiaries or associated companies, various services related to environmental management and circular economy, such as waste management services for non-hazardous and hazardous waste, process cleaning services, raw material- and material business and consulting services and other business activities related to the aforementioned services. The field of operations of the Receiving Company also includes management and financing services of the group. For its operations, the Receiving Company may own and control shares, holdings, securities and real estate, and trade and lease them.

Shares and Share Capital

The New Lassila & Tikanoja will have one share class. The Shares will have no nominal value. The New Lassila & Tikanoja's Shares will carry equal rights. The Shares will be issued in accordance with Finnish law and will be denominated in euros.

The New Lassila & Tikanoja's share capital will be EUR 80,000.00. The shareholders of the Demerging Company will receive as Demerger Consideration one (1) Demerger Consideration Share for each share owned in the Demerging Company, that is, the Demerger Consideration shall be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration shall be issued to any treasury shares held by the Demerging Company. As at 20 November 2025, the Demerging Company held 587,150 treasury shares. The total number of Shares in the New Lassila & Tikanoja would therefore be 38,211,724 Shares assuming there would not be any changes prior to the Effective Date.

Each Share will carry one (1) vote at a General Meeting. The New Lassila & Tikanoja's Shares will be issued in the book-entry system maintained by Euroclear Finland and they will be freely transferable. The ISIN code will be FI4000592472. Neither the New Lassila & Tikanoja nor any of its subsidiaries will hold the New Lassila & Tikanoja's Shares on the Effective Date.

Listing of the Shares in the New Lassila & Tikanoja

The Demerging Company intends to apply for admission to trading of the Shares of the New Lassila & Tikanoja on the official list of Nasdaq Helsinki at the latest on the business day preceding the first day of trading. The Shares will be denominated in euros on Nasdaq Helsinki. The trading code on Nasdaq Helsinki will be LASTIK. The trading in the Shares on Nasdaq Helsinki is expected to begin on 2 January 2026 or as soon as possible thereafter.

Authorisations

Authorisation to Issue Shares and Special Rights Entitling to Shares

It is proposed in the Demerger Plan that the Board of Directors of the New Lassila & Tikanoja be authorised to decide, following the completion of the Demerger, on the issuance of shares, as well as the issuance of option rights and other special rights entitling to shares pursuant to Chapter 10 of the Finnish Companies Act, as follows:

Under the authorisation, new shares in the New Lassila & Tikanoja or shares possibly held by the New Lassila & Tikanoja may be issued in one or more instalments through a share issue and/or the issuance of option rights or other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that by virtue of the authorisation altogether 2,000,000 shares in the New Lassila & Tikanoja may be issued and/or conveyed. The authorisation would correspond to approximately 5.2 per cent of the Shares upon the completion of the Demerger, assuming that the total number of the Shares to be issued as Demerger Consideration would be as described in section "*—Shares and Share Capital*" above.

The authorisation may be used for the financing or execution of potential acquisitions or other arrangements or investments relating to the New Lassila & Tikanoja's business, for the implementation of the New Lassila & Tikanoja's share-based incentive plan or for other purposes resolved by the Board of Directors of the New Lassila & Tikanoja.

The authorisation entitles the Board of Directors of the New Lassila & Tikanoja to decide on all terms and conditions of the share issue and the issuance of special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. The authorisation thus includes the right to issue shares also in a proportion other than that of the shareholders' shareholdings in the New Lassila & Tikanoja under the conditions provided in law, the right to issue shares against payment or without charge, as well as the right to decide on a share issue without payment to the New Lassila & Tikanoja itself, subject to the provisions of the Finnish Companies Act on the maximum amount of treasury shares.

The authorisation is proposed to be valid until the conclusion of the first Annual General Meeting held by the New Lassila & Tikanoja following the completion of the Demerger.

Authorisation to Decide on Acquisition of the New Lassila & Tikanoja's own Shares and on Acceptance as Pledge of the New Lassila & Tikanoja's own Shares

It is proposed in the Demerger Plan that the Board of Directors of the New Lassila & Tikanoja be authorised to decide, following the completion of the Demerger, on the acquisition of the New Lassila & Tikanoja's own shares and on the acceptance as pledge of the New Lassila & Tikanoja's own shares as follows:

The authorisation covers in total a maximum of 2,000,000 of the New Lassila & Tikanoja's own shares. The size of the authorisation would correspond to approximately 5.2 per cent of the New Lassila & Tikanoja's Shares upon the completion of the Demerger, assuming that the total number of the New Lassila & Tikanoja's Demerger Consideration Shares to be issued as Demerger Consideration would be as described in section "*—Shares and Share Capital*" above. Only the unrestricted equity of the New Lassila & Tikanoja can be used to acquire own shares on the basis of the authorisation.

The New Lassila & Tikanoja's own shares will be repurchased otherwise than in proportion to the existing shareholdings of the New Lassila & Tikanoja's shareholders through trading on regulated market organised by Nasdaq Helsinki at the market price quoted at the time of the repurchase. The New Lassila & Tikanoja's shares will be acquired and paid for in accordance with the rules of the Nasdaq Helsinki and Euroclear Finland Oy.

The purpose of the acquisitions of the New Lassila & Tikanoja's own shares and/or acceptances as pledge of the New Lassila & Tikanoja's own shares is to develop the New Lassila & Tikanoja's capital structure and/or to use the shares as consideration in the New Lassila & Tikanoja's potential corporate acquisitions, in other business arrangements, as part of the New Lassila & Tikanoja's share-based incentive plan, or to finance investments. The repurchased shares may either be held by the New Lassila & Tikanoja or be cancelled or conveyed. The Board of Directors of the New Lassila & Tikanoja decides on all other terms and conditions related to the share repurchases and/or acceptances as pledge.

The authorisation is proposed to be valid until the conclusion of the first Annual General Meeting held by the New Lassila & Tikanoja following the completion of the Demerger.

Dividends

The Board of Directors of the Demerging Company has adopted the New Lassila & Tikanoja's dividend policy as a part of the preparations for the demerger process. According to the New Lassila & Tikanoja's dividend policy, the New Lassila & Tikanoja aims to distribute as dividend at least 50 per cent of the net income.[73]

Under the Finnish Companies Act, the General Meeting decides on the distribution of dividend and other distributions of assets based on a proposal by the company's board of directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of Shareholders has approved the company's financial statements. There can be no assurance regarding any financial period as to the amount of dividends to be distributed or as to whether the New Lassila & Tikanoja will distribute dividends at all. The dividends paid by the New Lassila & Tikanoja for any financial period will not be indicative of the dividends to be paid after the said financial period. For a description of the

[73] Net income refers to the result for the period presented under section "*Unaudited Pro Forma Financial Information—Unaudited Pro Forma Key Figures*".

restrictions applicable to dividend distributions and other distributions of assets, see section "*—Dividend and Distribution of Equity*" below.

Shareholder Rights

Shareholders' Pre-Emptive Subscription Right

Pursuant to the Finnish Companies Act, shareholders of a Finnish company have a pre-emptive right to subscribe for shares in such company in proportion to their shareholdings, unless the resolution of the General Meeting of shareholders approving such issue or the board of directors to resolve on such issue, provides otherwise. Pursuant to the Finnish Companies Act, a resolution by the General Meeting that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a General Meeting of shareholders. Pursuant to the Finnish Companies Act, such resolution further requires that the company has a weighty financial reason to deviate from the pre-emptive right of shareholders. In addition, pursuant to the Finnish Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty financial reason for the company and in regard to the interests of all shareholders in the company.

Certain shareholders resident in, or with a registered address in certain jurisdictions, other than Finland, may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable securities laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available. See also "*Risk Factors—Risks relating to the New Lassila & Tikanoja's shares—Certain foreign shareholders may be unable to exercise their right to vote*".

General Meetings

Pursuant to the Finnish Companies Act shareholders exercise their decision-making power at the General Meetings, that must be held physically at the company's domicile, unless the Articles of Association provide for another venue. The Board of Directors may also decide that a shareholder can participate in the aforementioned General Meeting in such a way that the shareholder exercises their decision-making power in full and in real time during the meeting using a telecommunications connection and technical means, unless the Articles of Association restrict or prohibit this. Under the Finnish Companies Act, the Board of Directors may also decide that the General Meeting is held without a physical meeting venue, provided that shareholders can fully and in real time exercise their decision-making power during the meeting via a telecommunications connection and technical tool. This is permitted only if the Articles of Association state that the General Meeting must or may be held in this manner. In extremely compelling circumstances, the General Meeting may be held at another location.

According to the proposed Articles of Association of the New Lassila & Tikanoja a General Meeting must be held annually in the Company's domicile by the end of April on the date decided by the Board of Directors. The Board of Directors may also decide that a General Meeting be held without a meeting venue so that shareholders exercise their decision-making power during the meeting in full and in real time with the help of a telecommunications connection and a technical tool.

Pursuant to the Finnish Companies Act and Articles of Association of the New Lassila & Tikanoja, the Annual General Meeting must resolve on, among other things, the following matters:

- adoption of the financial statements and, if the company is the parent company, the consolidated financial statements,
- use of the profit shown on the statement of financial position,
- election and remuneration of the members of the Board of Directors, the auditor and the sustainability reporting assurance provider, and
- discharging the members of the Board of Directors and the Managing Director from liability.

Furthermore, the authorisation for the Board of Directors to resolve on a share issue or issue of other special rights entitling to shares, the authorisation of the Board of Directors to resolve on the acquisition of the company's own shares, and amendments to the Articles of Association also require a resolution of the General Meeting. In addition to Annual General Meetings, Extraordinary General Meetings may also be held if required. Depending on the nature of the matter to be resolved, the provisions of the Finnish Companies Act regarding qualified majority as described below, are applied.

The General Meeting handles the matters required by the Finnish Companies Act or the Articles of Association or presented to it by the Board of Directors. As a general rule, the General Meeting is convened by the Board of Directors. If a shareholder or shareholders of a company controlling at least ten per cent (1/10) of all the shares or the company's auditor demands in writing that a certain matter be handled at the General Meeting, the Board of Directors must convene the General Meeting within one (1) month from the arrival of the demand. Under the Finnish Companies Act, a shareholder may submit a written demand to the Board of Directors to include on the agenda for the next General Meeting any matter falling within the competence of the General Meeting, provided that the demand is submitted in good time so that it can be included in the notice to the meeting. In a listed company, a demand is always considered to be on time if it is submitted to the Board of Directors no later than four weeks prior to notice being given to a meeting. A proposal by the Shareholders' Nomination Board for the composition of the Board of Directors is included in the notice to the General Meeting. A proposal by the Board of Directors for the election of the auditor of the company is published in connection with the notice to the General Meeting.

Pursuant to the proposed Articles of Association of the New Lassila & Tikanoja, the notice of a General Meeting of Shareholders shall be published on the Receiving Company's website no earlier than two (2) months and no later than three (3) weeks prior to the General Meeting of Shareholders, however, at least nine (9) days prior to the Record Date (as defined below) of the General Meeting of Shareholders. In addition, the Receiving Company may, if so decided by the Board of Directors, within the same time publish the information on the time and place of the General Meeting of Shareholders as well as the address of the Receiving Company's website in a newspaper. In order to participate in the General Meeting of Shareholders, a shareholder must inform the Receiving Company of the participation at the latest on the date mentioned in the invitation. The date may not be earlier than ten (10) days before the General Meeting of Shareholders.

Pursuant to the Finnish Companies Act, only the shareholders who have been entered in the company's shareholders' register maintained by Euroclear Finland eight working days before a General Meeting (the "**Record Date**") have the right to attend the General Meeting. A holder of nominee-registered shares has the right to participate in the General Meeting by virtue of such shares based on which they would, on the Record Date, be entitled to be registered in the shareholders' register of the company held by Euroclear Finland. The right of a holder of nominee registered shares to participate in the General Meeting requires, in addition, that the shareholder has been registered on the basis of such shares in the temporary shareholders' register of the company held by Euroclear Finland. The notification of temporary entry into the shareholders' register must be submitted no later than on the date specified in the notice to the General Meeting, which must be after the Record Date.

Pursuant to the Finnish Companies Act, a shareholder may participate in the General Meeting in person or by way of proxy representation. A proxy representative must produce a dated proxy document or otherwise in a reliable manner demonstrate their right to represent a shareholder at the General Meeting. When a shareholder participates in the General Meeting by means of several proxy representatives representing the shareholder based on shares in different securities accounts, the shares based on which each proxy representative represents the shareholder must be identified in connection with the registration for the General Meeting. In addition, each shareholder or proxy representative may have an assistant present at the General Meeting.

Voting Rights

A shareholder may attend and vote at a General Meeting personally or by using an authorised representative. At the General Meeting of the New Lassila & Tikanoja, each share of the New Lassila & Tikanoja entitles its holder to one vote. If a holder of a nominee-registered share wishes to attend the General Meeting and exercise the voting rights attached to such share, the holder must register for entry in the Receiving Company's temporary shareholders' register. A notification for the temporary entry into the shareholders' register must be submitted no later than at the time specified in the notice to the General Meeting, which must be after the Record Date of the General Meeting. There are no quorum requirements for the General Meetings in the Finnish Companies Act or in the New Lassila & Tikanoja's proposed Articles of Association.

At the General Meeting, resolutions generally require the approval of the majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, a directed share issue and, in certain cases, a resolution regarding the merger or demerger of the company, require a two-thirds majority of the votes cast and of the shares represented at the General Meeting. However, a majority decision is sufficient for an amendment to the Articles of Association if, on the basis of the amendment, shareholders must be offered the opportunity to fully exercise their decision-making power by means of a telecommunications connection and technical means during the meeting. In addition, certain resolutions, such as a mandatory redemption of the shares in deviation from the shareholdings of the shareholders, require the consent of all shareholders.

Dividends and Distribution of Equity

Under the Finnish Companies Act, dividends on shares of a Finnish company may only be paid after the General Meeting has resolved on the distribution of dividend. As a general rule, the General Meeting may not decide to distribute assets in excess of what the Board of Directors has proposed or approved. Pursuant to the Finnish Companies Act, the distribution of dividends must be based on the most recently adopted and audited financial statements. A company may also pay an interim dividend based on the earnings of the ongoing financial year if the Extraordinary General Meeting adopts new audited financial statements. The payment of dividends requires the approval of the majority of the votes cast at the General Meeting. The General Meeting may also authorise the Board of Directors to decide on the distribution of dividend.

Pursuant to the Finnish Companies Act, equity is divided into restricted and unrestricted equity. The division between restricted equity and unrestricted equity is relevant in the determination of distributable funds. Share capital and revaluation surplus, fair value reserve and revaluation reserve as defined in the Finnish Accounting Act are restricted equity. The share premium reserve and legal reserve established prior to the entry into force of the Finnish Companies Act are restricted equity as provided by the Finnish Act on the Implementation of the Companies Act (625/2006, as amended, the "**Finnish Act on the Implementation of the Companies Act**"). Unrestricted equity consists of other reserves and the profit of the current and previous financial periods. The amount of any dividend or other distribution of assets is limited to the amount of distributable funds. However, no funds may be distributed if at the time of deciding on the distribution it is known or it should be known that the company is insolvent or that the distribution would result in insolvency. Distributable funds include the profit for the financial year, retained earnings from previous years and other unrestricted equity, less reported losses and the amount required by the company's Articles of Association to be left undistributed. The distributable funds must be adjusted as appropriate by the amount of foundation, research and certain development costs capitalised in the statement of financial position pursuant to the Finnish Act on the Implementation of the Companies Act.

A dividend or other distribution of assets may not exceed the amount proposed or approved by the Board of Directors unless requested at the Extraordinary General Meeting by shareholders representing at least 10 per cent of the issued shares of a company. If such a request is presented, and sufficient distributable funds are available as described above, the dividend paid must equal at least one half of a company's profit for the financial year, less the amount required by the company's Articles of Association to be left undistributed. The shareholders may request dividend for a maximum amount of 8 per cent of the total equity of a company. The possible distributions of profit for the financial period before the Annual General Meeting are subtracted from the amount to be distributed.

Dividend and other distributions are paid to shareholders or their nominees who are included in the shareholders' register on the relevant Record Date. The shareholders' register of a company whose shares have been entered into the book-entry system is maintained by Euroclear Finland through a relevant book-entry account operator. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the registry. The date of expiry of the dividend is usually three years from the payment date of the dividend. The shares in the New Lassila & Tikanoja carry equal rights to dividend and other assets distributed by the New Lassila & Tikanoja (including the distribution of assets in connection with the New Lassila & Tikanoja's dissolution).

Own Shares

Under the Finnish Companies Act, a company may acquire or redeem its own shares. Decisions on the acquisition or redemption of a company's own shares must be made by the General Meeting and require at least two thirds of the votes cast and the shares represented at the meeting. The General Meeting may also authorise the Board of Directors to decide on an acquisition of the company's own shares using the unrestricted equity for a specific period of time, which cannot exceed 18 months. A company may acquire its own shares in a proportion other than that of the shares held by the shareholders only if there is a weighty financial reason for the company to do so. As a general rule, a company may redeem its own shares in a proportion other than that of the shares held by the shareholders only by the consent of all shareholders. A public company's decision to acquire or redeem its own shares or to accept them as pledge may not be made if the treasury shares in the possession of or held as pledges by the company and its subsidiaries exceed 10 per cent of all shares. Shares held by a company, or its subsidiaries do not entitle the holder to participate in the General Meeting or to dividend distribution.

Mandatory Tender Offer and Redemption Obligation

The Finnish Securities Markets Act requires that a shareholder whose holding in a company exceeds three tenths (3/10) or one half (1/2) of the total voting rights attached to the shares of the company after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to the shares issued by the company at fair value. For more information, see "*The Finnish Securities Market—Regulation of the Securities Market*".

Under the Finnish Companies Act, a party holding more than nine tenths (9/10) of all the shares and votes attached to the shares in a company has the right to redeem the shares of the other shareholders of the company at fair value. The Finnish Companies Act provides detailed provisions for the calculation of shares and votes attached thereto. In addition, any minority shareholder that possesses shares that may be so redeemed by a majority shareholder under the Finnish Companies Act has the right to require such majority shareholder to redeem its shares. If a shareholding constitutes the right and obligation for redemption, the company must immediately have this entered in the Trade Register. The Redemption Committee of the Finland Chamber of Commerce appoints a requisite number of arbitrators to resolve disputes related to the redemption and the redemption price. The fair price of the share before the initiation of the arbitration serves as the basis for the determination of the redemption price.

Transfer through the Finnish Book-Entry Securities System

When selling shares incorporated in the book-entry securities system, the shares are transferred by wire transfer from the seller's book-entry account to the buyer's book-entry account. For the purpose of the sale, allocation data is entered into Euroclear Finland's automated clearing and settlement system (Infinity T2S system) and, if necessary, a reservation regarding the book-entry security is entered into the book-entry account. The transaction is recorded as a pre-trade until it has been cleared and the shares have been paid, after which the buyer is automatically entered into the company's shareholders' register. Trades are normally cleared in the Infinity T2S system on the second banking day after the trade date unless otherwise agreed by the parties. If the shares are nominee registered and the shares of both the seller and the buyer are held in the same custodial nominee account, the sale of shares does not cause any entries to the book-entry system unless the custodial nominee account holder changes or the shares are transferred from such custodial nominee account as a result of a sale.

Foreign Exchange Control

The shares of a Finnish limited liability company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, but the Finnish company is generally required to withhold tax on the transfer of assets out of Finland unless an agreement for avoiding double taxation whose provisions prevent the withholding of tax applies. Non-residents who have acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. The shares of a Finnish limited liability company may be sold in Finland by non-residents, and the proceeds of such sales may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations in force restricting the sale of shares in a Finnish limited liability company by non-residents to other non-residents.

THE FINNISH SECURITIES MARKET

The following is an overview of the Finnish securities market, including a brief summary of certain Finnish laws and regulations in effect as at the date of this Prospectus, affecting the New Lassila & Tikanoja as a company listed on Nasdaq Helsinki. The summary is not intended to provide a comprehensive description of all laws and regulations affecting the New Lassila & Tikanoja and should not be considered exhaustive. Moreover, the laws, rules, regulations and procedures summarised below may be amended or reinterpreted.

Trading in Securities and Clearing on Nasdaq Helsinki

Trading in and clearing of securities on Nasdaq Helsinki take place in euro. The minimum price increment in which prices are quoted (tick size) depends on the tick size table and being a minimum of EUR 0.0001. Price information is produced and published only in euro.

Nasdaq Helsinki uses the automatic trading platform INET Nordic. INET Nordic is an order-based system in which orders are executed when price and volume information and other conditions match. INET Nordic continuously broadcasts trading information. The information is displayed in real time in the form of order books, concluded trades, index information and different kinds of reports, for instance. Nasdaq Helsinki has three principal trading sessions: pre-open session, continuous trading and post-trading session. The pre-open session for shares begins at 9:00 a.m. (all times in this section are stated in Finnish time) and ends at 9:45 a.m., during which orders may be placed, changed or cancelled. The opening call begins at 9:45 a.m. and ends at 10:00 a.m. Continuous trading begins immediately after the opening call ends at 10:00 a.m., and trading based on market demand continues until 6:25 p.m., when the closing call is initiated. The closing auction begins at 6:25 p.m. and ends at approximately 6:30 p.m. Orders entered during the pre-open session and existing orders with several days' validity are automatically transferred into the opening call. Post-trading, during which contract transactions for shares can be registered as after-hours trading in confirmed prices within the price limits based on the day's trading, and the cancellation of orders as well as their restricted amendments are permitted, takes place between 6:30 p.m. and 7:00 p.m.

Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity T2S system) on the second banking day after the trade date (T + 2) unless otherwise agreed by the parties. Nasdaq Helsinki is a part of the Nasdaq, Inc. ("**Nasdaq**"). Nasdaq offers trading across multiple asset classes, and its technology supports the operations of over 90 marketplaces in 50 countries. Nasdaq also owns and maintains the stock exchanges in Stockholm, Copenhagen, Reykjavik, Tallinn, Riga and Vilnius. Each country has its own official list and country-specific listing requirements. Nasdaq's Nordic List (the "**Nordic List**") was launched in 2006 and consists of shares listed on the exchanges in Helsinki, Copenhagen, Stockholm and Reykjavik. Through the Nordic List, the listing requirements for companies and the way of presenting the listed companies have been harmonised. On the Nordic List, companies are presented first by their market capitalisation and then by their industry sector irrespective of the domicile of the issuer. The market capitalisation classification is divided into three categories: large companies (Large Cap), mid-sized companies (Mid Cap), and small companies (Small Cap). Within each market capitalisation segment, issuers are sorted by their industry sector according to the ICB Company Classification Standard. Issuers belonging to the same industry sector are placed in the same industry sector segment in alphabetical order.

Regulation of the Securities Market

The securities market in Finland is supervised by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The principal statutes governing the Finnish securities market are the Finnish Securities Markets Act, which contains regulations with respect to, among other things, company and shareholder disclosure obligations, such as the flagging obligation, prospectuses and public tender offers, and the Prospectus Regulation, which contains regulation relating to, among others, the duty to prepare a prospectus and its contents. Furthermore, the Market Abuse Regulation ((EU) No 596/2014, "**MAR**") regulates insider dealing, the unlawful disclosure of inside information, market manipulation and the public disclosure of inside information. MAR establishes a uniform regulatory framework for the market abuse regime in the EU. The FIN-FSA, the Finnish Ministry of Finance and Nasdaq Helsinki have also issued more detailed regulations, rules and guidelines under the Finnish Securities Markets Act. The FIN-FSA monitors that operators in financial markets comply with applicable financial market rules, delegated regulations, the conditions of their licenses and the rules governing their activities, and it can also issue more detailed regulations and guidelines under the Finnish Securities Markets Act and other laws.

The Finnish Securities Markets Act and the Prospectus Regulation, jointly with the Commission Delegated Regulation (EU) 2019/980, specify the minimum disclosure requirements for companies applying to be listed on Nasdaq Helsinki or making a public offering of securities in Finland. The information provided must be sufficient to enable a potential investor to make an informed assessment of the securities offered, the issuer of the securities and the factors that may materially affect the value of the securities. An issuer of a security subject to public trading is obliged to provide financial information of the issuer regularly and, pursuant to the MAR, disclose to the public as soon as possible any inside information which directly concerns the issuer. The issuer may delay the disclosure of inside information to the public if all of the conditions set out in the MAR are met. Information disclosed must be sufficient to enable investors to make an informed assessment of the security and the issuer thereof.

The Finnish Criminal Code (39/1889, as amended) contains provisions relating to the misuse of inside information, the unlawful disclosure of inside information, market manipulation and the breach of disclosure requirements. A breach of these provisions constitutes a criminal offence. Pursuant to the MAR, the Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Criminal Code. The FIN-FSA may, for example, issue a public warning or impose an administrative fine or penalty payment for the breach of disclosure requirements or public tender offer, insider register or market abuse provisions. The disciplinary board of Nasdaq Helsinki may give a warning or note or impose a disciplinary fine or order a company to be removed from the stock exchange list.

A shareholder of a Finnish listed company is required, without undue delay, to notify said company and the FIN-FSA when its voting interest in or its percentage ownership of the total number of shares in said company reaches, exceeds or falls below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 30 per cent, 50 per cent, 66.67 per cent (2/3), or 90 per cent, calculated in accordance with the Finnish Securities Markets Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds or falls below any such threshold. If a Finnish listed company receives information indicating that a voting interest or ownership interest has reached, exceeded or fallen below any of these thresholds, it must, without undue delay, publish such information and disclose it to Nasdaq Helsinki and to the main media. If a shareholder violates its obligation to notify the relevant parties of a voting interest or ownership, the FIN-FSA may, based on a weighty reason, prohibit the shareholder from using its right to vote and be presented at the General Meeting for the shares to which the violation relates.

Pursuant to the Finnish Securities Markets Act, a shareholder whose proportion of voting rights in a listed company exceeds three tenths (3/10) or one half (1/2) of the total voting rights attached to the shares of the company, calculated in accordance with the Finnish Securities Markets Act, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company for fair value. If the securities exceeding the thresholds referred to above have been acquired through a public tender offer on all shares and securities with an entitlement to the shares issued by the target company, no obligation to make a tender offer arises. If a company has two (2) or more shareholders whose holdings of voting rights exceed the above-mentioned limit, only the shareholder with the most voting rights is required to make a tender offer. If the proportion of votes described above is exceeded solely due to measures taken by the target company or other shareholders, the shareholder will not be obligated to make a tender offer until they acquire or subscribe for more shares in the target company or otherwise increase their proportion of votes in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if the acting in concert is limited to such tender offer only. There is no obligation to make a tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the above-mentioned limit within one (1) month after such limit is exceeded, provided that the shareholder publishes its intention and voting rights are not used during such time.

Under the Finnish Companies Act, a shareholder holding shares representing more than nine tenths (9/10) of all the shares in a company and of the votes conferred by the shares has the right to redeem the shares of the other shareholders of the company at fair value. In addition, any minority shareholder that possesses shares that may be so redeemed by the majority shareholder in accordance with the Finnish Companies Act is entitled to require the majority shareholder to redeem its shares. The Finnish Companies Act includes detailed rules that apply to the calculation of the specified proportions of shares and votes of a majority shareholder.

Under the Finnish Securities Markets Act, a Finnish listed company must directly or indirectly belong to an independent body established in Finland that broadly represents the business sector and has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public takeover bid (the "**Helsinki Takeover Code**"). Pursuant to the Finnish Securities Markets Act, a listed company must provide an explanation for not being committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradable on Nasdaq Helsinki must be disclosed to the FIN-FSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps and Commission Delegated Regulation (EU) 2022/27 of 27 September 2021 amending Regulation (EU) No 236/2012 of the European Parliament and of the Council as regards the adjustment of the relevant threshold for the notification of significant net short positions in shares. The obligation to notify net short positions applies to all investors and market participants. A net short position in relation to the shares of a company that has shares admitted to trading on a regulated market must be disclosed where the position reaches, exceeds or falls below the threshold of 0.1 per cent of the target company's issued share capital. A new notification must be submitted for each 0.1 percentage point above the threshold. The FIN-FSA publishes the notified net short positions on its website if the net short position reaches, exceeds or falls below 0.5 per cent of the issued share capital of the target company.

Book-Entry Securities System

General

Any issuer established in the European Union that issues or has issued transferable securities that are admitted to trading or traded on trading venues must arrange for such securities to be represented in book-entry form. The issuer has the right to choose the central securities depository where the securities are admitted to trading. The central securities depository maintains the book-entry system. In Finland, the central securities depository is Euroclear Finland, which provides national clearing and settlement as well as registration services for securities. Euroclear Finland maintains a centralised book-entry securities system for both equity and debt securities. The visiting address of Euroclear Finland is Itämerenkatu 25, FI-00180, Helsinki, Finland.

Euroclear Finland maintains, on behalf of the issuers, issuer-specific shareholders' registers of companies entered into the book-entry system. The account operators, consisting, for instance, of credit institutions, investment service firms and other institutions licensed to act as clearing parties by the central securities depository, administer the book-entry accounts and are entitled to make entries in the book-entry accounts.

Registration Procedure

In order to hold entries in the book-entry system, a shareholder or such holder's nominee must establish a book-entry account with an account operator or register its shares through a nominee registration process in order to effect share entries. Finnish shareholders are not allowed to hold their shares through nominee registration in Finland. Non-Finnish shareholders may deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholders' register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, shares owned by a non-Finnish foreigner, foreign entity or foreign trust may be registered in a book-entry account opened in the name of such foreigner, foreign entity or foreign trust, but the holding may be registered in the name of a nominee in the company's shareholders' register. For shareholders who have not transferred their shares into book-entries, a joint book-entry account is opened with the central securities depository, and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerised book-entry transfers. The account operator confirms book-entry transfers by sending notifications of all transactions to the holder of the respective book-entry account. Account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain specified information with respect to the account holder and other holders of rights to the book-entries entered into the account and information on the account operator administering the book-entry account. In addition to this, the book-entry account must contain information with respect to the type and number of book-entry securities registered and the rights and restrictions pertaining to the account and to the book-entry securities registered in the account. A nominee account is identified as such on the entry. Euroclear Finland and the account operators are bound by strict confidentiality requirements, although certain information (for example the name and address of each account holder) contained in the register is public, except in the case of nominee registration. The FIN-FSA is entitled to receive certain information on nominee registrations upon request. However, a company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book-entry system, at the registered office of the central securities depository in Finland, except in the case of nominee registration.

Each account operator is strictly liable for errors and omissions in the registers it maintains and for any unauthorised disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or an amendment to or deletion of rights in respect of registered securities, and the relevant account operator is unable to compensate for such loss due to insolvency that is not temporary, such account holder is entitled to compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 per cent of the average of the total market value of the book-entries kept in the book-entry system during the last five calendar years and it must be at least EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered from a single account operator subject to a maximum amount of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each individual incident is limited to EUR 10 million.

Custody of the Securities and Nominee Registration

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by the central securities depository) to act as a custodial nominee account holder on its behalf. A custodial nominee account holder is entitled to receive dividends and to exercise all share subscription rights and other financial and administrative rights attached to the shares held in its name on behalf of the shareholder. A holder of nominee-registered shares wishing to attend and vote at General Meetings must be notified for a temporary entry in the shareholders' register no later than the date set out in the notice to convene the meeting, which date must be subsequent to the Record Date of the relevant General Meeting. A holder of nominee-registered shares temporarily registered in the shareholders' register will be deemed to have registered for the meeting and no further registration is required provided that such holder of nominee-registered shares would be entitled, by virtue of such shares, to be registered in the shareholders' register of the company held by Euroclear Finland on the Record Date. When the holder of nominee-registered shares is known, a custodial nominee account holder is required, on request, to disclose to the FIN-FSA and the relevant company the identity of the holder of the shares registered in its name and the number of shares owned by such holder of nominee-registered shares. If the identity of the holder of nominee-registered shares is not known, the custodial nominee account holder is required to disclose the identity of the representative acting on behalf of the holder of nominee-registered shares and the number of shares held and to submit a written declaration to the effect that the holder of the nominee-registered shares is not a Finnish natural person or legal entity.

Finnish depositories for both Euroclear Bank, S.A./N.V. – the operator of Euroclear Finland – and Clearstream have custodial accounts within the book-entry securities system, and, accordingly, non-Finnish shareholders may hold their shares listed on Nasdaq Helsinki in their accounts in Euroclear Bank, S.A./N.V. and in Clearstream.

Shareholders who wish to hold their shares in the book-entry securities system in their own name and who do not maintain a book-entry account in Finland are required to open a book-entry account through an authorised account operator in Finland and a convertible euro account at a bank.

Compensation Fund for Investors and Deposit Insurance Funds

The Finnish Act on Investment Services (747/2012, as amended, the "Finnish Act on Investment Services") sets forth a compensation fund for investors. The act divides investors into professional and non-professional investors. The fund does not cover losses incurred by professional investors. The definition of professional investor includes business enterprises and public entities, which can be deemed to understand the securities markets and the associated risks. An investor may also provide notice in writing that, on the basis of their professional skills and experience in investing, they are a professional investor; however, natural persons are presumed to be non-professional investors.

Investment firms and credit institutions must belong to the compensation fund. The compensation fund secures the payment of clear and indisputable claims in cases where an investment company or credit institution has been declared bankrupt, undergoing corporate restructuring proceedings, or otherwise, for a reason other than temporary insolvency, is not able to pay claims within a determined period of time. For valid claims, the compensation fund will pay 90 per cent of the investor's claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses attributable to decreases in share value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions.

Pursuant to the Finnish Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to a deposit guarantee scheme, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor's assets may be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor's funds may not be safeguarded by both funds at the same time.

TAXATION

The following summary is based on the tax laws, case law and tax practice of Finland as in effect on the date of this Prospectus. Any changes in tax laws, case law and tax practice may affect taxation and they may also have a retroactive effect on tax consequences. The following summary is not exhaustive and does not take into account or deal with the tax laws, case law or tax practice of any country other than Finland. The following description does not address any tax consequences applicable to shareholders that may be subject to special tax rules, including, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax exempt entities, investment funds or general or limited partnerships. Furthermore, this description addresses neither Finnish inheritance nor gift tax consequences.

Prospective investors are advised to consult their own professional tax advisors as to the Finnish and foreign tax consequences of the Demerger and the purchase, ownership and disposition of the Demerger Consideration Shares. The tax legislation of prospective investors' state of tax residence may have an impact on the income received from the Demerger Consideration Shares. Prospective investors who may be affected by the tax laws of other jurisdictions are advised to consult their tax advisors with respect to the tax consequences applicable to their particular circumstances.

Finnish Taxation

The following is a general description of certain Finnish tax consequences that may be relevant with respect to the Demerger. The following description of Finnish domestic tax legislation relating to the Demerger, dividend distributions and capital gains arising from the sale of Demerger Consideration Shares is applicable to both Finnish resident and non-resident shareholders.

This description is based primarily on the following acts:

- The Finnish Income Tax Act (1535/1992, as amended);
- The Finnish Business Income Tax Act (360/1968, as amended);
- The Finnish Act on Taxation of Non-residents' income (627/1978, as amended);
- The Finnish Tax Prepayment Act (1118/1996, as amended);
- The Finnish Value Added Tax Act (1501/1993, as amended);
- The Finnish Transfer Tax Act (931/1996, as amended); and
- The Finnish Act on Assessment Procedure (1558/1995, as amended).

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available on the date of this Prospectus have been taken into account.

All of the foregoing is subject to change. The changes could affect the tax consequences described below and may also be applicable retroactively.

Finnish taxation is affected by international regulation. For instance, the Anti-Tax Avoidance Directive (EU) 2016/1164 ("**ATAD**") and Directive (EU) 2017/952 amending Directive (EU) 2016/1164 ("**ATAD II**") may require member states of the EU to further amend their tax legislation or taxation practice and has required and may further require implementing, among other things, exit tax rules for companies, limitations on the right to deduct interest expenses and controlled foreign company rules as well as rules as regards hybrid mismatches. Due to the ATAD, Finland has amended the limitations on the right to deduct interest expenses (e.g., to also cover group-external debt), controlled foreign company rules (e.g., the minimum ownership threshold was lowered to 25 per cent), and exit tax rules for companies as well as enacted new law on hybrid mismatches. As of 2022, member states of the EU have been required to comply with ATAD II rules on reverse hybrid mismatches. In addition, member states of EU have been required to implement global minimum tax rules in accordance with Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union by 31 December 2023. In Finland, the Act on the Minimum Tax Rate for Large-Scale Corporate Groups (1308/2023) entered into force on 1 January 2024, and it is applied to accounting periods beginning on or after 31 December 2023 if the consolidated annual income of the ultimate parent company according to the consolidated financial statements amounted to at least EUR 750 million during at least two of the four accounting periods immediately preceding the period in question. The lack of specific dispute resolution procedures related to the global minimum taxation could increase the risk of long-standing tax disputes and double taxation. Furthermore, the OECD multilateral instrument, including the so-called principal purpose test, could increase uncertainty with respect to application of tax treaties. The OECD has made amendments to its guidance on the application of the arm's length principle (within the Pillar 1 project), which may cause changes to the application of transfer pricing regulations.

General

The scope of taxation in Finland is defined by the tax liability position of a taxpayer. Finnish residents are subject to Finnish taxation on their worldwide income (unlimited tax liability). Non-residents are taxed only on Finnish source income (limited tax liability). In addition, any income received by a non-resident from a permanent establishment located in Finland is subject to taxation in Finland. Tax treaties binding on Finland may restrict the applicability of Finnish domestic tax legislation and the taxation of non-resident's Finnish source income in Finland.

Generally, a natural person is deemed a resident of Finland for tax purposes if the person stays in Finland for more than six consecutive months or if the permanent home and abode of the person is in Finland. A Finnish citizen is deemed a resident of Finland for tax purposes during the year he or she has emigrated from Finland and three subsequent years unless he or she proves that no essential ties to Finland existed during the relevant tax year. Earned income is taxed at progressive tax rates. Capital income up to EUR 30,000 per calendar year is taxed at a rate of 30 per cent and, if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent.

Corporate entities established under the laws of Finland and corporate entities established or registered abroad having their place of effective management in Finland are regarded as tax residents of Finland and thus subject to corporate income tax on their worldwide income. Non-resident corporate entities are subject to corporate income tax on the income attributable to their permanent establishments located in Finland. The current corporate income tax rate is 20 per cent. The Finnish Government intends to lower the corporate tax rate to 18 per cent, potentially from 1 January 2027 onwards (Government's publication Growth measures of the mid-term policy review session, published 23 April 2025). As at the date of this Prospectus, however, no government proposal regarding this reduction has yet been submitted to the parliament.

The following is a summary of certain Finnish tax consequences relating to the acquisition, ownership and disposal of the Demerger Consideration Shares by Finnish resident and non-resident shareholders, as well as of general tax consequences of the Demerger.

Tax Implications of the Demerger

A partial demerger is a corporate reorganisation in which a company transfers one or several business units to one or several companies and leaves at least one business unit in the demerging company. In accordance with Section 52 c of the Finnish Business Income Tax Act, such a partial demerger is tax neutral, which means that from a taxation viewpoint, the company does not dissolve. The shareholders of the demerging company will receive shares in the receiving company as demerger consideration, the number of which will be equal to their ownership in the demerging company.

The Demerging Company has received a binding preliminary tax ruling from the Finnish Tax Administration according to which the Demerger will be treated as an income tax neutral partial demerger as defined in Section 52 c of the Finnish Business Income Tax Act.

As a main rule, the acquisition cost of shares in a demerging company is allocated between the shares in the demerging company and shares in the receiving company in accordance with the net assets of the respective companies calculated in accordance with the Act on Valuation of Assets for Tax Purposes (1142/2005, as amended). The acquisition cost of shares in the demerging company is such portion of the acquisition costs that represents the portion of the net assets that remain with the demerging company. The acquisition cost of shares in the receiving company is such portion of the acquisition costs that represents the portion of the net assets that are transferred to the receiving company.

However, if it is apparent that the proportion of the net assets remaining with the demerging company and transferring to the receiving company materially deviates from the market value of the shares in the demerging company and the receiving company, respectively, the acquisition cost of the shares will be divided proportionally according to the market values of the shares in the demerging company and the receiving company. The Finnish tax authorities have considered a deviation of at least approximately 20 per cent to be material.

The allocation of the acquisition cost of Shares in the Demerging Company and the New Lassila & Tikanoja, respectively, can be determined only after the calculations presenting the allocation of net assets between the Demerging Company and the New Lassila & Tikanoja as well as the weighted average price of the shares in the Demerging Company and the New Lassila & Tikanoja, respectively, on the first trading day and the corresponding weighted average price of the Shares on the first five trading days are known. Trading of Shares on the official list of Nasdaq Helsinki is expected to commence on the first business day following the Effective Date or as soon as reasonably possible thereafter.

The Demerger should not affect the taxation of dividends, if any, to be paid to the shareholders of the Demerging Company.

A demerger that is considered tax neutral under Finnish tax legislation and that is carried out in accordance with Chapter 17 of the Finnish Companies Act will not cause any transfer tax consequences for the shareholders of the demerging or receiving company when the demerger consideration is paid in new shares of the receiving company.

The deductible expenses relating to the transferring business units will be deducted in the taxation of the receiving company as they would have been deducted in the taxation of the demerging company (principle of continuity).

Following a demerger, any possible tax losses that have been confirmed as deductible in the taxation of the demerging company will transfer to the receiving company to the extent that it is apparent that those losses have occurred in the business of the transferring units. Other carry forward tax losses will be transferred proportionally with the net assets of the companies. However, the recipient company's right to deduct the transferred losses in its taxation requires that the recipient company or its shareholders have owned more than half of the demerging company's shares since the beginning of the year during which the loss occurred. The Finnish Government intends to extend the right to deduct tax losses from the current 10 years to 25 years, starting from confirmed losses in the 2026 tax year. As at the date of this Prospectus, however, no government proposal regarding this extension has yet been submitted to the parliament.

A demerger, as a general succession, is outside the scope of the Finnish Value Added Tax Act, which means that the Demerger will not have any immediate value added tax consequences.

Taxation of Dividends and Equity Returns

Finnish Resident Individuals

85 per cent of dividends received by a natural person resident in Finland from a listed company is taxable as capital income, whereas 15 per cent is tax exempt income. The current applicable tax rate is 30 per cent for capital income of up to EUR 30,000 per calendar year and 34 per cent for any amount exceeding EUR 30,000 per calendar year.

When a listed company distributes dividends to individuals, the listed company is obligated to withhold tax prepayment on the dividend payments. As at the date of this Prospectus, the tax withholding is 25.5 per cent of the amount of the dividend. The tax prepayment withheld by the distributing company is credited against the final tax payable for the tax year by the recipient of the dividend. Dividends paid to nominee-registered shares are subject to 50 per cent tax withholding if the payor of the dividend or the registered custodian does not receive or cannot provide the Finnish Tax Administration with the identifying information on the dividend recipient, as specified in the Finnish Act on Assessment Procedure, if the dividend recipient is a Finnish tax resident (please see further information on the TRACE procedure in the section "*—Taxation of Dividends and Equity Returns—Non-resident Individuals*" below).

Finnish tax resident individuals must check from their pre-completed tax return that the dividend information has been correctly reported, and, when necessary, correct the right amount of dividends and tax withholding into the tax return.

The dividends paid on the shares held on a share savings account are considered profits of the share savings account. Thus, the profits are treated as taxable capital income when the profits are withdrawn from the share savings account in the taxation of the Finnish tax resident individual. Please see more information on the taxation of profits of the share savings account in the section "*—Taxation of Capital Gains—Finnish Resident Individuals*" below.

Finnish Resident Corporations

The tax treatment of dividends distributed by a listed company varies depending on whether the Finnish company receiving the dividend is a listed company or a non-listed company.

Dividends received by a listed company from another listed company are generally exempt from tax. However, in case the underlying Finnish shares belong to the investment assets of such a shareholder, 75 per cent of the dividend received by the listed company is taxable income and 25 per cent is tax exempt income. Only financial, insurance and pension institutions may have investment assets. The actual tax rate in these situations is 15 per cent.

If the recipient is a non-listed company, the dividends received by it are fully subject to corporate income tax if the shareholder does not directly own at least 10 per cent of the share capital of the distributing company. If the direct ownership is at least 10 per cent at the time the dividend is distributed, the dividend received on such shares is tax exempt. However, if a non-listed company receives a dividend from shares of a Finnish company included in its investment assets, 75 per cent of the dividend is taxable income and 25 per cent is tax exempt regardless of the ownership threshold.

Dividends paid to nominee-registered shares are subject to 50 per cent tax withholding if the payor of the dividend or the registered custodian does not receive or cannot provide the Finnish Tax Administration with the identifying information on the dividend recipient, as specified in the Finnish Act on Assessment Procedure, if the dividend recipient is a Finnish tax resident (please see further information on the TRACE procedure in the section "*—Taxation of Dividends and Equity Returns—Non-resident Companies*").

Non-resident Individuals

Dividends paid by a Finnish company to non-residents are subject to Finnish withholding tax. The withholding tax as a final tax at source should be withheld by the company distributing the dividend at the time of dividend payment. The withholding tax rate for dividend received by a non-resident individual shareholder is 30 per cent, unless otherwise set forth in an applicable tax treaty. Any Finnish withholding tax withheld in excess can be applied to be refunded by the Finnish Tax Administration provided that the non-resident individual shareholder can prove to be entitled to a lower withholding tax rate under the applicable tax treaty. Any Finnish withholding tax will be taken into consideration in the state of residence of the individual in accordance with the local tax laws and applicable tax treaty, if any.

Finland has entered into double tax treaties with many countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of treaties with the following countries, Finnish withholding tax regarding dividends of portfolio shares is generally reduced to the following rates: Austria: 10 per cent; Belgium: 15 per cent; Canada: 15 per cent; Denmark: 15 per cent; France: 0 per cent (rising to 15 per cent upon application of the new tax treaty); Germany: 15 per cent; Ireland: 0 per cent; Italy: 15 per cent; Japan: 15 per cent; the Netherlands: 15 per cent; Norway: 15 per cent; Spain: 15 per cent; Sweden: 15 per cent; Switzerland: 10 per cent; the United Kingdom: 0 per cent; and the United States: 15 per cent (0 per cent for certain pension funds). This list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for dividend distributions on qualifying holdings (usually ownership of at least 10 or 25 per cent of the share capital or voting rights of the distributing company). The benefit of a reduced withholding rate in an applicable tax treaty will be available already at the time of dividend payment, however, only if the person beneficially entitled to the dividend has provided the payer of the dividend with the necessary details on the applicability of the tax treaty.

The withholding tax treatment of the dividends paid on the nominee registered shares was amended on 1 January 2021 when Finland introduced a procedure based on the OECD's TRACE model (Treaty Relief and Compliance Enhancement). The register of Authorised Intermediaries has replaced the former foreign custodian register. Moreover, the former simplified procedure applied to the nominee-registered shares no longer applies to the dividends paid on the nominee-registered shares. Instead of the general Finnish tax rates (20 per cent or 30 per cent) or the reduced withholding tax rates under the tax treaty, a withholding tax at a rate of 35 per cent is levied on the dividends paid on the nominee-registered shares in case the payor of the dividend or the registered custodian does not receive the identifying information on the dividend recipient. Subject to a separate application from the Finnish Tax Administration, the excess withholding tax may be refunded by the Finnish Tax Administration provided that the non-resident shareholder proves to be entitled to a lower withholding tax rate under the local Finnish tax laws, or an applicable tax treaty.

No withholding tax is levied on dividends paid for shares kept on a Finnish share savings account. The dividends paid for shares kept on a Finnish share savings account constitute proceeds of the share savings account. The withholding tax may not be levied on the dividends paid to a foreign share savings account of non-resident individual investors provided that the characteristics of the foreign share savings account correspond adequately with the Finnish share savings account. In such case, the dividends paid on the shares held on a share savings account should be considered profits of the share savings account. However, based on the current taxation praxis, the foreign share savings accounts are rather rarely equated with the Finnish share savings accounts. For the taxation of the proceeds of share savings accounts, please see "*—Taxation of Capital Gains*" below.

Under certain conditions, non-resident individuals residing in a country within the EEA may request that the provisions of the Finnish Act on Assessment Procedure are applied instead of withholding a final dividend withholding tax at source. In such case the dividend taxation is carried out through assessment in the same manner as set out in section "*—Finnish Resident Individuals*" above.

Non-resident Companies

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20 per cent for non-resident corporate entities as dividend income recipients. The withholding tax may be reduced or removed under an applicable tax treaty, as described in section "*—Non-resident Individuals*" above. Instead of the general withholding tax rate or the reduced withholding tax rate under the tax treaty, a withholding tax of 35 per cent is levied on dividends paid on the nominee-registered shares in case the payor of the dividend or the registered custodian does not receive the required identifying information on the dividend recipient.

No withholding tax shall be levied on dividends paid to non-resident corporate entities that reside, and are subject to corporate tax in their home state, in a member state of the European Union, as defined in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended), if the recipient company directly holds at least 10 per cent of the share capital of the dividend distributing Finnish company and further meets the other prerequisites set out in the Parent Subsidiary Directive.

Dividends paid to certain foreign corporate entities resident within the EEA may qualify for a complete exemption from Finnish withholding taxation or may be subject to withholding taxation at a reduced rate, depending on how the dividend would have been taxed, had it been paid to a corresponding Finnish entity. No withholding tax shall be levied in Finland from dividends to a non-resident entity distributed by a Finnish company if (i) the entity receiving dividend resides in the EEA; (ii) the Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended by the Council Directive (EU) 2015/2376 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the recipient of the dividend; and (iii) the company receiving a dividend is equivalent to a Finnish entity defined in the Finnish Income Tax Act, Section 33d, Subsection 4, or Section 6a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax exempt if paid to a Finnish corresponding corporation or entity (see "*—Finnish Resident Corporations*" above); and (v) the entity establishes (with a certificate from the home member state's tax authority) that in accordance with the agreement on avoiding double taxation concluded between Finland and the home state of the recipient of dividends, the withholding tax cannot de facto be credited in full.

Rulings of the European Court of Justice (Joined Cases C-116/16 and C-117/16 and Joined Cases C-115/16, C-118/16, C-119/16, C-299/16) regarding the concept of beneficial owner for European Union law purposes may have implications on Finnish tax legislation going forward, which may result in, inter alia, additional criteria being set to obtain a preferred dividend withholding tax rate.

Notwithstanding the aforementioned, the dividend is only partly tax exempt if the shares belong to the investment assets of the recipient corporate entity, and that corporate entity is not a corporate entity defined in the Parent Subsidiary Directive holding directly at least 10 per cent of the capital of the distributing company. In this case, the applicable withholding tax rate is generally 15 per cent. A prerequisite for this tax treatment is that the recipient corporate entity has its registered office in a state fulfilling the conditions (i) and (ii) above and that the entity fulfils the conditions set out under (iii) above. Depending on the applicable agreement on avoiding double taxation, the withholding tax rate may also be lower than 15 per cent.

Any Finnish withholding tax withheld in excess can be applied to be refunded by the Finnish Tax Administration provided that the non-resident corporate entities as income receivers can prove to be entitled to a lower withholding tax rate under the applicable tax treaty. Any Finnish withholding tax will be taken into consideration in the state of residency of the individual in accordance with the local tax laws and applicable tax treaty, if any.

Taxation of Capital Gains

Finnish Resident Individuals

Capital gains arising from the sale of shares are taxed as capital income of the Finnish resident individual. The current tax rate applied to capital gains is 30 per cent for capital income of up to EUR 30,000 per calendar year and 34 per cent for any amount exceeding EUR 30,000 per calendar year. If the disposition of shares is connected to business activities (business income source) of the seller, any gain arising from the sale is deemed to be the seller's business income, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 per cent (however, should the overall capital income exceed EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 per cent).

Individuals may deduct capital losses arising from the sale of shares, such as the Demerger Consideration Shares, primarily from capital gains and secondarily from other capital income arising in the same tax year and the following five tax years. Capital losses will not be taken into account when calculating the capital income deficit for the tax year in question, and it does not hence entitle to a deficit credit.

Capital gains and losses are calculated as the difference between the sales price and the aggregate of the actual acquisition cost and sales related expenses. Alternatively, individuals may choose to apply the presumptive acquisition cost instead of the actual acquisition cost for the shares. As the presumptive acquisition cost, 20 per cent is deducted from the transfer price but, if the shareholder has held the shares for at least 10 years, the presumptive acquisition cost is 40 per cent of the sales price. If the presumptive acquisition cost is applied instead of the actual acquisition cost, all expenses arising from acquiring the gains are deemed to be included in the presumptive acquisition cost and, therefore, cannot be deducted separately from the transfer price.

Notwithstanding the above, capital gains arising from the sale of assets, such as the Demerger Consideration Shares, are exempt from tax, provided that proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000 (not including proceeds of assets the sale of which is tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the calendar year do not, in the aggregate, exceed EUR 1,000, and proceeds of all assets sold by the resident individual during the same calendar year do not, in the aggregate, exceed EUR 1,000.

Any profit gained on a disposal of the assets kept on a Finnish share savings account is not taxable income at the time of the disposal. The proceeds of a share savings account are considered taxable capital income when the proceeds are withdrawn from the share savings account. The current capital tax rate is 30 per cent for capital income of up to EUR 30,000 per calendar year and 34 per cent for any amount in excess of EUR 30,000.

The loss resulting from the disposal of the assets kept on a share savings account is not tax deductible at the time the funds are withdrawn from the share savings account. The capital loss is only tax deductible from the taxable capital income in the year the share savings account is closed. The loss incurred in the share savings account is deducted from the net capital income after the capital losses and before other deductions are made from the capital income. To the extent the loss is not deducted from the taxable capital income in any tax year, it will be taken into account when determining the capital-income loss. The loss of a share savings account is not taken into account when calculating the capital income deficit for the tax year in question, and it does not hence entitle to a deficit credit. The capital-income loss of the share savings account will be deducted from the capital income over the course of the subsequent 10 years as capital income is accumulated.

Natural persons resident in Finland must enter information regarding the sale of securities, such as the Demerger Consideration Shares, occurred during the relevant calendar year on the pre-completed tax return.

Finnish Resident Corporations

Any capital gains from the sale of the shares are generally regarded as taxable income of Finnish resident corporations. The assets of Finnish resident corporations which are taxed according to the Finnish Business Income Tax Act may be classified as fixed assets, investment assets, financial assets or other assets of a Finnish corporation (however, only financial, insurance and pension institutions may have investment assets as referred to in this context). The taxation of a disposal and value increase of shares may vary according to the asset type for which the shares qualify.

The capital gains from the sale of the shares are taxed generally as the business income of Finnish resident corporations, and the acquisition cost of the shares sold is deductible cost. However, capital gains based on the disposal of shares in a limited liability company may be tax exempt for corporate entities provided, among other things, that the seller company has owned at least 10 per cent of the company's share capital for at least one year continuously and that the shares belong to the seller's fixed assets attributable to business activities. Capital losses relating to the disposals of shares entitled to this tax exemption will not be tax deductible.

Capital losses arising from the disposal of shares, which belong to the seller's fixed assets but do not qualify for tax exemption, are deductible only from capital gains arising from the disposal of shares, which belong to the seller's fixed assets, in the same tax year and the subsequent five tax years. The capital losses arising from the disposal of shares which belong to the current, investment and financial assets of the seller may be deducted from the taxable income in the same tax year and the subsequent ten tax years in accordance with the general loss carry forward rules. In case the capital losses arise from disposal of assets belonging to other assets, the losses may generally be utilised only against capital gains arising from disposal of assets belonging to other assets and be carried forward only for the subsequent five tax years.

Non-resident Investors

Non-residents are generally not subject to Finnish tax on capital gains realised on sale of shares in a Finnish company. Such capital gains may be taxable for non-residents if, for example, the non-resident taxpayer is deemed to have a permanent establishment in Finland according to the Finnish Income Tax Act and the applicable tax treaty, and the shares are considered as assets of the permanent establishment, or more than 50 per cent of the assets of the company whose shares are sold comprises one or multiple real properties located in Finland. From 1 March 2023 onwards, in accordance with the Finnish Income Tax Act, Finland is entitled to tax non-residents with or without the abovementioned permanent establishment in Finland on income arising from sale of shares, either in a Finnish or a non-Finnish entity, provided that more than 50 per cent of the value of such shares derives directly or indirectly from real property located in Finland and that the share are not listed on a stock exchange. In addition, however, tax treaties may limit Finland's right to tax capital gains.

If a non-resident investor has a share savings account in Finland, the proceeds withdrawn from the share savings account can, however, be taxed in Finland as the non-resident's taxable income, unless there is an applicable tax treaty preventing the taxation of such income in Finland. If there is no tax treaty in place preventing levying of the withholding tax, the proceeds withdrawn from the share savings account will be subject to withholding tax at the rate of 30 per cent.

A loss resulting from the closing of a share savings account cannot be deducted from a non-resident investor's income subject to withholding tax. The loss of a share savings account can, however, be deducted from the capital income generated in Finland which is subject to taxation under the Finnish Act on Assessment Procedure, if the non-resident has such income. However, if the taxation of the proceeds paid from a share savings account is not possible in Finland because of the existence of a tax treaty, the loss cannot be deducted from the capital income, and it will not be taken into account when determining the capital-income loss.

Transfer Tax

Transfer tax is not payable in Finland on the issuance and subscription of new shares.

Transfer tax is generally not either payable in Finland on the transfer of shares in Finnish companies subject to public trading on a regularly functioning regulated market or multilateral trading facility against fixed cash consideration on the condition that the broker or other party to the transaction is an investment firm, a foreign investment firm or other investment services provider as defined in the Finnish Act on Investment Services or that the transferee has been approved as a trading party in the market where the transfer is executed. If the broker or other trading party is not a securities broker as defined in the Finnish Transfer Tax Act (i.e. the intermediary is a foreign broker that does not have a branch or office in Finland), the precondition for the tax exemption is that the transferee notifies the Finnish Tax Administration of the transfer within two months of the transfer or that the intermediary submits an annual notification to the Finnish Tax Administration pursuant to the Finnish Act on Assessment Procedure.

The exemption does not apply to certain specifically defined disposals, such as transfers of shares by means of a capital contribution, or distribution, or transfers of shares in which the consideration consists partially or completely of employment or work. On the grounds of relevant case law, if an incentive scheme remuneration of key persons is paid in money and the recipient of the remuneration is obliged to purchase shares of the listed company with a part of the remuneration, consideration of the share purchase comprises in full or in part of work contribution and is thus subject to transfer tax. Further, the exemption does not apply to transfers of shares where the consideration is determined by arbitration in accordance with the provisions of Chapter 18 of the Companies Act (squeeze-out rules) concerning the handling of redemption disputes. There are specific rules allowing the exemption to apply in the context of initial public offerings, subject to certain requirements, even though the exemption does not apply to a transfer of shares if it is based on an offer made after the public trading with the share in question has ended or before it has begun.

If the preconditions for transfer tax exemption are not fulfilled, the purchaser of the shares is generally liable to pay and declare transfer tax in the amount corresponding 1.5 per cent of the share purchase price and other consideration (if any). However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the seller may be responsible for collecting the tax from the foreign purchaser. Notwithstanding aforesaid, the foreign purchaser often declares and pays the transfer tax on the transfer itself, in which case for declaring and paying the transfer tax, a foreign investor must register with the Finnish Tax Administration in order to obtain a taxpayer-specific transfer tax reference number. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state.

As a main rule, if neither party to the transfer is tax resident in Finland or a Finnish branch or office of a foreign credit institution, foreign investment firm, fund management company or EEA alternative investment fund manager, the transfer of shares will be exempt from Finnish transfer tax, unless shares in real estate companies are transferred. No transfer tax is collected if the amount of the tax is less than EUR 10.

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during the validity period of this Prospectus within standard business hours at the registered office of the Demerging Company, which until 1 December is located at Valimotie 27, FI-00380 Helsinki, Finland. As of 2 December 2025, the registered office of the Demerging Company will be located at Kutomotie 2, 00380 Helsinki, Finland:

- this Prospectus;
- the Finnish Prospectus;
- the Articles of Association and the extract from the Trade Register of the Demerging Company as in force on the date of this Prospectus;
- the New Lassila & Tikanoja's set of audited carve-out financial statements as at and for the years ended 31 December 2024, 2023, and 2022 and the auditor's report thereto;
- the New Lassila & Tikanoja's unaudited interim carve-out financial information as at and for the nine months ended 30 September 2025; and
- the independent auditor's assurance report on the compilation of pro forma financial information included in this Prospectus.

The documents listed above and the Demerger Plan including appendices will be available on the Demerging Company's website at https://www.lt.fi/en/investors/lt-as-an-investment/demerger-2025 on or about 20 November 2025. In addition, the Finnish Prospectus will be available on the Demerging Company's website at https://www.lt.fi/sijoittajat/lt-sijoituskohteena/jakautuminen-2025 on or about 20 November 2025.

CARVE-OUT FINANCIAL INFORMATION OF THE NEW LASSILA & TIKANOJA

New Lassila & Tikanoja

Set of Carve-out Financial Statements as at and for the years ended 31 December 2024, 2023 and 2022

Contents

Combined income statement

1 January - 31 December MEUR	2024	2023	2022	Note
Net sales	423.9	422.1	450.9	1.2
Other operating income	2.7	3.3	5.3	1.4
Materials and services	-123.6	-127.6	-164.5	1.4
Employee benefit expenses	-140.3	-137.0	-129.6	1.3
Other operating expenses	-78.8	-78.2	-78.1	1.4
Depreciation, amortisation and impairment	-43.4	-44.3	-39.4	1.7
Operating profit	40.5	38.3	44.6	
Financial income	0.1	0.4	0.3	
Financial expenses	-4.9	-3.3	-1.9	
Exchange rate differences (net)	-0.0	-0.0	0.1	
Financial income and expenses	-4.7	-2.9	-1.5	1.8
Share of the result of associated companies and joint ventures	3.2	3.6	0.7	
Result before taxes	38.9	39.0	43.8	
Income taxes	-7.4	-6.6	-8.3	1.9
Result for the period	31.5	32.4	35.5	
Attributable to:				
Equity holders of New Lassila & Tikanoja	31.5	32.4	35.5	

Combined statement of comprehensive income

1 January - 31 December MEUR	2024	2023	2022	Note
Result for the period	31.5	32.4	35.5	
Other comprehensive income, net of tax				
Items that may be reclassified to profit or loss				
Currency translation differences	-0.3	0.0	-0.5	4.3
Other comprehensive income, total	-0.3	0.0	-0.5	
Total comprehensive income, after tax	31.2	32.4	35.0	
Attributable to:				
Equity holders of New Lassila & Tikanoja	31.2	32.4	35.0	

Combined statement of financial position

31 December MEUR	2024	2023	2022	Note
ASSETS				
Non-current assets				
Goodwill	118.8	118.2	118.2	3.1
Other intangible assets	35.1	28.6	24.3	3.1
Total intangible assets	153.9	146.9	142.5	
Right-of-use assets	54.8	60.7	54.5	3.4
Other property, plant and equipment	155.3	153.1	140.4	3.3
Total property, plant and equipment	210.1	213.8	195.0	
Shares in associated companies and joint ventures	18.9	17.6	14.0	3.5
Other shares and holdings	0.1	0.1	0.1	3.5
Other non-current receivables	0.4	0.9	1.0	3.5
Total other non-current assets	19.5	18.6	15.1	
Total non-current assets	383.4	379.3	352.6	
Current assets				
Inventories	9.2	7.7	7.7	2.2
Trade receivables	49.4	54.6	58.4	2.1, 4.1
Contract assets	7.2	8.7	5.8	1.2, 2.1
Income tax receivables	0.0	-	6.5	2.1
Cash-pool receivables from related parties	0.1	0.3	20.5	4.1, 5.5
Other current receivables	1.7	1.5	1.9	2.1, 4.1
Cash and cash equivalents	1.9	2.4	2.6	4.1
Total current assets	69.6	75.2	103.3	
Total assets	453.0	454.5	455.9	

Combined statement of financial position

31 December MEUR	2024	2023	2022	Note
INVESTED EQUITY AND LIABILITIES				
Total invested equity	252.1	251.4	257.8	4.3
Liabilities				
Non-current liabilities				
Deferred tax liabilities	21.7	20.6	20.7	1.9
Pension liabilities	0.1	0.1	0.1	1.3
Provisions	6.3	7.2	7.4	2.5
Borrowings	0.3	0.8	1.4	4.1
Lease liabilities	45.2	47.5	41.4	3.4, 4.1
Other liabilities	13.4	13.2	13.3	2.4
Total non-current liabilities	87.0	89.5	84.3	
Current liabilities				
Borrowings	0.5	0.6	0.7	4.1
Cash-pool liabilities to related parties	11.6	1.4	6.9	4.1
Lease liabilities	11.7	14.7	14.4	3.4, 4.1
Trade and other payables	89.4	96.5	91.7	2.3, 4.1
Income tax liabilities	0.1	0.4	0.2	2.3
Provisions	0.6	0.1	-	2.5
Total current liabilities	113.9	113.6	113.9	
Total liabilities	200.9	203.0	198.2	
Total invested equity and liabilities	453.0	454.5	455.9	

Combined statement of cash flows

1 January - 31 December MEUR	2024	2023	2022	Note
Cash flows from operating activities				
Result for the period	31.5	32.4	35.5	
Adjustments				
Income taxes	7.4	6.6	8.3	1.9
Depreciation, amortisation and impairment	43.4	44.3	39.4	1.7
Financial income and expenses	4.7	2.9	1.5	1.8
Gains and losses on sale of tangible and intangible assets	-0.7	-0.2	0.2	
Share of result of associated companies and joint ventures	-3.2	-3.6	-0.7	3.5
Provisions	-0.2	-0.5	-1.0	2.5
Gain from sale of subsidiary's net assets to joint venture	-	-	-4.3	5.4
Impact of the discontinuation of Russian operations	-	-	-0.2	
Other adjustments	1.1	0.5	0.9	
Net cash generated from operating activities before change in working capital	84.0	82.5	79.6	
Change in working capital				
Change in trade and other receivables	7.0	1.4	1.5	
Change in inventories	-1.5	-0.0	-0.9	
Change in trade and other payables	-3.9	0.8	-0.2	
Change in working capital	1.5	2.2	0.4	
Interest and other financial expenses paid	-4.7	-3.1	-1.7	
Interest and other financial income received	0.1	0.4	0.3	
Income taxes paid	-6.9	0.1	-6.7	
Net cash from operating activities	74.0	82.0	71.8	
Cash flows from investing activities				
Acquisitions of subsidiaries and businesses, net of cash acquired	-1.5	-	-13.2	5.3
Proceeds from sale of subsidiaries and businesses, net of sold cash	-	-	-2.0	5.4
Purchases of intangible assets and property, plant and equipment	-41.2	-42.9	-29.7	
Proceeds from sale of intangible assets and property, plant and equipment	1.1	0.3	0.2	
Dividends received from joint venture	1.8	-	-	
Repayment of loan receivables from joint venture	-	-	16.4	
Dividends received from other non-current investments	0.0	-	0.0	
Net cash from investing activities	-39.8	-42.6	-28.2	
Net cash from operating and investing activities	34.3	39.4	43.6	
Cash flows from financing activities				
Cash pool financing with Demerging Company	10.5	14.7	5.7	4.1
Equity financing with Demerging Group, net	-30.7	-39.1	-33.2	
Repayments of long-term borrowings	-0.6	-0.7	-0.9	4.1
Repayments of lease liabilities	-13.9	-14.5	-14.1	
Net cash from financing activities	-34.8	-39.5	-42.4	
Net change in cash and cash equivalents	-0.5	-0.1	1.2	
Cash and cash equivalents at the beginning of the period	2.4	2.6	1.5	
Effect of changes in foreign exchange rates	-0.0	-0.0	-0.1	
Cash and cash equivalents at the end of the period	1.9	2.4	2.6	4.1

Combined statement of changes in invested equity

MEUR	Note	Currency translation differences	Invested equity and retained earnings	Invested equity attributable to equity holders of New Lassila & Tikanoja
Invested equity on 1 January 2022		-	255.9	255.9
Result for the period			35.5	35.5
Translation difference		-0.5		-0.5
Total comprehensive income		-0.5	35.5	35.0
Share-based benefits	1.5		0.1	0.1
Equity transactions with Demerging Group			-33.2	-33.2
Invested equity on 31 December 2022		-0.5	258.3	257.8
Result for the period			32.4	32.4
Translation difference		0.0		0.0
Total comprehensive income		0.0	32.4	32.4
Share-based benefits	1.5		0.3	0.3
Equity transactions with Demerging Group			-39.1	-39.1
Invested equity on 31 December 2023		-0.4	251.9	251.4
Result for the period			31.5	31.5
Translation difference		-0.3		-0.3
Total comprehensive income		-0.3	31.5	31.2
Share-based benefits	1.5		0.2	0.2
Equity transactions with Demerging Group			-30.7	-30.7
Invested equity on 31 December 2024		-0.7	252.8	252.1

For more information on invested equity please refer to note 4.3 Invested equity.

Notes to the carve-out financial statements

Background and basis of preparation

Background

The company registered under the name Lassila & Tikanoja plc as of the date of this set of financial statements (the “Demerging Company”), together with its subsidiaries (the “Demerging Group”), specialises in environmental services as well as property and facility maintenance in Finland and Sweden. On 7 August 2025, the Board of Directors of the Demerging Company approved a demerger plan concerning a partial demerger of the Demerging Company. According to the demerger plan, the Demerging Company will be split so that all assets, liabilities, and obligations related to the circular economy business, or primarily serving the circular economy business, will be transferred to a newly established independent company, which will be named Lassila & Tikanoja Plc (the “New Lassila & Tikanoja Plc”), (the “Demerger”). The New Lassila & Tikanoja Plc and its subsidiaries engaged in circular economy business (the “New Lassila & Tikanoja Companies”) will form the new Lassila & Tikanoja Group (the “New Lassila & Tikanoja” or the “New Lassila & Tikanoja Group”). The facility services businesses of the Demerging Company will remain with the Demerging Company after the Demerger, and the Demerging Company is intended to be renamed Luotea Plc (“Luotea”) in connection with the Demerger.

The demerger is conditional upon the approval of the Demerging Company’s Extraordinary General Meeting. An application is intended to be made to admit the shares of the New Lassila & Tikanoja for trading on the official list of Nasdaq Helsinki Ltd (“Nasdaq Helsinki”). Shareholders of the Demerging Company will receive one share in the New Lassila & Tikanoja Plc for each share they hold in the Demerging Company as demerger consideration. The effective date of the demerger is planned to be 31 December 2025. The trading in the shares of New Lassila & Tikanoja Plc on the official list of Nasdaq Helsinki is expected to begin on 2 January 2026 or as soon as reasonably possible thereafter. As of the signing date of these financial statements, the total number of outstanding shares in the Demerging Company is 38,211,724 shares. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no demerger consideration will be issued for the Demerging Company’s own shares held by the company itself. The final number of shares to be issued as demerger consideration in the New Lassila & Tikanoja Plc will be determined based on the number of shares in the Demerging Company (excluding the company’s own shares held in treasury) on the effective date of the Demerger.

The New Lassila & Tikanoja has not previously formed a separate group and has not prepared consolidated financial statements for internal or external reporting prior to the Demerger. In connection with the Demerger, the Demerging Company will separate and transfer the relevant assets and liabilities to the New Lassila & Tikanoja. The Demerging Company has prepared a set of carve-out financial statements, which includes the carve-out financial statements of the New Lassila & Tikanoja as at and for the financial years ended 31 December 2024, 31 December 2023, and 31 December 2022 (“carve-out financial statements”). These financial statements illustrate the performance, assets and liabilities, and cash flows of the business operations to be separated into the New Lassila & Tikanoja.

The future parent company of the New Lassila & Tikanoja, the New Lassila & Tikanoja Plc, will be established on the date the execution of the Demerger is registered with the Trade Register maintained by the Finnish Patent and Registration Office.

The carve-out financial statements have been prepared in accordance with the basis of preparation presented in the following sections and notes. These carve-out financial statements are prepared for inclusion in the Demerger and Listing Prospectus of the New Lassila & Tikanoja Plc, which will be prepared by the Demerging Company for the Extraordinary General Meeting approving the partial demerger and for the listing of New Lassila & Tikanoja Plc’s shares on the official list of Nasdaq Helsinki. The Board of Directors of the Demerging Company has approved these carve-out financial statements for publication on 20 November 2025.

Business of the New Lassila & Tikanoja

The New Lassila & Tikanoja is a multi-service company that brings the circular economy to life. The mission of its Circular Economy Businesses is to keep customers' materials efficiently in circulation at the highest possible level of refinement. The New Lassila & Tikanoja also develops methods for the efficient utilisation of industrial and societal side streams in accordance with circular economy principles, and it restores land areas. The services offered also include process cleaning and sewer maintenance. The New Lassila & Tikanoja promotes the circular economy through a diverse range of recycling, waste management, and industrial services, and operates in Finland and Sweden.

Basis of preparation of the carve-out financial statements

The carve-out financial statements of the New Lassila & Tikanoja as at and for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 have been prepared by combining the historical carrying amounts of income, expenses, assets, liabilities and cash flows attributable to the legal entities forming the New Lassila & Tikanoja, as included in the consolidated financial statements of the Demerging Company. Accordingly, income, expenses, assets, liabilities and cash flows that are directly attributable or allocable to, or that will transfer to, the New Lassila & Tikanoja have been included in the carve-out financial statements. In addition, the carve-out financial statements include certain allocations from the Demerging Group, including income, expenses, assets, liabilities and cash flows of the Demerging Company that are either transferred to the New Lassila & Tikanoja or have been allocated to it for the purpose of preparing these carve-out financial statements.

The carve-out financial statements of the New Lassila & Tikanoja have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union with consideration of the principles described below according to which the assets and liabilities, income and expenses, and cash flows attributable to the New Lassila & Tikanoja have been measured.

As IFRS Accounting Standards do not provide specific guidance on the preparation of carve-out financial statements, certain procedures commonly used in the preparation of historical financial information have been applied in compiling the carve-out financial statements included in the prospectus. These carve-out accounting conventions are described below.

These carve-out financial statements may not necessarily reflect the combined results of operations and financial position that the New Lassila & Tikanoja would have had if it would have operated as an independent legal group from 1 January 2022 and prepared standalone consolidated financial statements for the years 2022–2024. Nor do the carve-out financial statements necessarily indicate the future results of operations, financial position or cash flows of the New Lassila & Tikanoja.

The carve-out financial statements have been prepared on a going concern basis and using historical acquisition costs, except for contingent considerations related to business combinations, which are measured at their probable realisation value.

These carve-out financial statements include the assets, liabilities, income, expenses and cash flows of the following legal entities forming the New Lassila & Tikanoja group and the business operations related to the New Lassila & Tikanoja:

Legal entities:

Finnish subsidiaries

L&T Ympäristöpalvelut Oy
L&T Teollisuuspalvelut Oy
Suomen Keräystuote Oy (from 1 July 2024 onwards, previously an associated company)
Sihvari Oy (until 9 June 2023)
Turun Seudun Hyötykuljetus Oy, Finland (until 1 August 2023)
L&T Biowatti Oy (until 1 July 2022)[1]

Foreign subsidiaries
Sand & Vattenbläst i Tyringe AB, Sweden (from 1 February 2022 onwards)
Cisternservice i Hässleholm AB, Sweden (1 February 2022 – 30 December 2024)
PF Industriservice AB, Sweden (1 February 2024 – 30 December 2024)

Joint ventures
Laania Oy, Finland (from 1 July 2022 onwards)[1]

Business operations related to the New Lassila & Tikanoja from the following entities:
Demerging Company[2], the parent company of the Demerging Group
Hankinta Ky[2]

[1] Information regarding the joint venture and the sale of L&T Biowatti Oy's net assets to the joint venture is presented in the notes to the carve-out financial statements under Note 3.5 Other non-current assets and Note 5.4 Business disposals and assets and liabilities classified as held for sale.

[2] The assets, liabilities, income, expenses and cash flows attributable to the New Lassila & Tikanoja's business operations originate from the Demerging Company and Hankinta Ky, which was part of the Demerging Group. Hankinta Ky was liquidated in December 2023.

The circular economy business to be transferred to the New Lassila & Tikanoja was managed as separate operating segments (Environmental Services and Industrial Services) within the Demerging Group until the end of 2024. As of the beginning of 2025, Environmental Services and Industrial Services formed a new Circular Economy Business Area within the Demerging Group, which constitutes an independent reportable segment.

The information in the carve-out financial statements is presented in millions of euros unless otherwise stated. All figures presented have been rounded, which may result in the sum of individual figures differing from the total amount presented.

Principles applied in the preparation of the carve-out financial statements

The following sections provide a summary of the accounting and other principles applied in the preparation of the carve-out financial statements.

The carve-out financial statements include allocated income, expenses, assets, liabilities and cash flows, the allocation of which is based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of costs arising from certain centrally provided services, lease arrangements, shared assets, cash management and financing, the determination of taxes based on taxable income for the period and deferred taxes, as well as invested equity. The New Lassila & Tikanoja does not have any material recurring operational business relationships with the remaining Demerging Group.

The management of the Demerging Company considers that the allocations made in the preparation of the carve-out financial statements have been made on a reasonable basis, but they may not necessarily reflect the income and expenses that would have arisen had the New Lassila & Tikanoja operated as a separate group and prepared its own consolidated financial statements for the periods presented.

Intra-group transactions and related party transactions
Transactions and balances between the entities forming the New Lassila & Tikanoja included in the carve-out financial statements have been eliminated. Transactions and balance sheet items between the New Lassila & Tikanoja and the remaining Demerging Group, which were considered intra-group transactions in the consolidated reporting of the Demerging Company, have been treated as related party transactions in the carve-out financial statements.

Intercompany items of the Demerging Company against the New Lassila & Tikanoja entities have been allocated to the New Lassila & Tikanoja in the preparation of the carve-out financial statements and eliminated as intercompany items between the New Lassila & Tikanoja Plc and other New Lassila & Tikanoja Companies, except for cash pool receivables from and cash pool liabilities to the Demerging Company and related internal interest income and expenses. These items have been treated as related party transactions in the carve-out financial statements. In the Demerger, the cash pool receivables and liabilities of the

Demerging Company from the New Lassila & Tikanoja entities will transfer to New Lassila & Tikanoja Plc, after which they will be eliminated in the consolidated financial statements prepared post-demerger. The carrying amounts of the shares in the subsidiaries owned by the Demerging Company and transferred to New Lassila & Tikanoja Plc in the demerger have been allocated to the New Lassila & Tikanoja in these carve-out financial statements. The acquisition method has been applied to eliminate the acquisition cost of the subsidiaries.

Centrally provided services
The Demerging Company has been responsible for the management and general administration of the Demerging Lassila & Tikanoja Group. In addition, the Demerging Company has provided various centrally delivered services to its subsidiaries. In preparing the carve-out financial statements of the New Lassila & Tikanoja, income and expenses directly attributable to the New Lassila & Tikanoja, or certain historical transactions related to it, have been allocated to the New Lassila & Tikanoja in accordance with the allocation principle, meaning that the allocation follows the origin and nature of the costs.

Historically, the Demerging Company has directly charged its subsidiaries for internal and external costs incurred for services performed on their behalf, as well as a share of common operational costs through management fees. Such services include, among others, IT, finance and treasury, human resources, legal affairs, indirect procurement, real estate, risk management and communications. Certain costs incurred by the parent company, such as insurance premiums, have historically been invoiced directly to the subsidiaries. These costs have been included in the carve-out financial statements based on the amounts historically charged.

The Demerging Group has historically incurred costs related to strategic group-level projects or business restructurings that were not allocated or charged to subsidiaries. These costs have been allocated to the New Lassila & Tikanoja in the carve-out financial statements if the related business operations are transferred to it.

The Demerging Group has also historically incurred certain costs related to operating as a listed company. These costs include board expenses and part of the costs related to group management, strategy, human resources, legal affairs, financial administration, communications and investor relations, as well as IT. These listing-related costs represent group-level expenses that were historically unallocated or uncharged. In the carve-out financial statements, a portion of these costs has been allocated to the New Lassila & Tikanoja to reflect the business-related expenses, using appropriate allocation keys such as revenue or headcount. Management considers these allocation bases to be appropriate.

Management believes that the allocations reasonably reflect the use of centrally provided services. These allocated costs have been influenced by arrangements in place within the Demerging Group and may not necessarily reflect the future situation in the New Lassila & Tikanoja.

Shared assets, liabilities and lease arrangements with the remaining Demerging Group's operations
Lease agreements under which the New Lassila & Tikanoja entities have had control or have been the primary users, and which will transfer to the New Lassila & Tikanoja in the Demerger, have been presented as leases in the carve-out financial statements.

Historically, the New Lassila & Tikanoja and the remaining Demerging Group have operated in shared leased premises and offices in certain locations. For these premises, the legal lessee has charged the other entities using the premises a proportionate share of the costs based on usage. For premises where the New Lassila & Tikanoja entities are not the legal lessee and the lease agreement will not transfer to the New Lassila & Tikanoja in the Demerger, the cost related to the use of such premises has been included in the carve-out financial statements and presented as other operating expenses in the carve-out financial statements as related party transactions. For premises where the New Lassila & Tikanoja entities are the legal lessee and the lease agreement will transfer to the New Lassila & Tikanoja in the Demerger, and the remaining Demerging Group has used the premises, the portion of the premises used by the remaining Demerging Group has been included as income in the carve-out financial statements and presented as related party transactions.

The New Lassila & Tikanoja and the remaining Demerging Group have also historically shared certain fixed assets (machinery and equipment), which have been allocated to the New Lassila & Tikanoja and included in property, plant and equipment in the carve-out financial statements if the asset is expected to transfer to the New Lassila & Tikanoja as part of the Demerger. If the asset is not expected to transfer to the new Lassila & Tikanoja in the Demerger, but the New Lassila & Tikanoja has used the asset in its operations, the cost related to the use of the asset has been included in the carve-out financial statements based on an applicable allocation key (such as square metres or headcount).

The assets and lease arrangements presented in the carve-out financial statements may differ significantly from the future needs of the New Lassila & Tikanoja as a standalone company. The New Lassila & Tikanoja will enter into new lease agreements related to shared assets upon completion of the Demerger, based on the future needs of the business.

Share-based payments
Key personnel of the New Lassila & Tikanoja have historically participated in the share-based incentive programmes of the Demerging Company. Expenses related to share-based incentive programmes for individuals directly employed by the New Lassila & Tikanoja Companies have been fully included in the carve-out financial statements. The carve-out financial statements also include an allocated portion of the share-based incentive expenses for individuals involved in the group functions of the Demerging Company, using the same allocation principles as for centrally provided services, which management considers an appropriate method for allocating share-based payment expenses.

Allocations based on historical expenses may not necessarily reflect the costs that will arise from incentive schemes to be established for key personnel of the New Lassila & Tikanoja in the future. Further information on share-based payments is presented in Note 1.5 Share-based payments.

Pension obligations
The majority of the Demerging Group's pension arrangements have historically been defined contribution plans. The expenses related to these arrangements have been included in the carve-out financial statements based on the actual headcount of each legal entity forming the New Lassila & Tikanoja. The carve-out financial statements also include an allocated portion of pension expenses for individuals involved in the group functions of the Demerging Company, using the same allocation principles as for centrally provided services, which management considers an appropriate method for allocating pension-related expenses.

The Demerging Group also has a limited number of defined benefit pension arrangements, mainly acquired through business combinations. These arrangements and the related obligations will remain with the remaining Demerging Group following the Demerger and have not been included in the carve-out financial statements.

In Sweden, the Demerging Group has made pension deposits for a few individuals, for which the group has neither a legal nor constructive obligation to make additional payments. The assets related to these arrangements have been recognised under non-current receivables in the balance sheet, with a corresponding liability recorded under pension obligations. The portion attributable to the New Lassila & Tikanoja entities has been included in the carve-out financial statements.

Further information on employee benefit expenses and pension obligations is presented in Note 1.3 Employee benefit expenses.

Cash Management and Financing
The Demerging Group has historically employed centralised cash management and addressed the Group's financing needs through cash pool arrangements and internal loans. The cash and cash equivalents of the New Lassila & Tikanoja consist of cash held by the legal entities of the New Lassila & Tikanoja. In connection with the demerger, a certain amount of the Demerging Company's cash and cash equivalents will be transferred to the New Lassila & Tikanoja in accordance with the principles described in the demerger plan. No portion of the Demerging Company's cash and cash equivalents has been allocated to these carve-out financial statements, as the share attributable to the New Lassila & Tikanoja cannot be reliably allocated.

The external financing of the Demerging Group is centralised and managed by the Demerging Company. The working capital required by the subsidiaries has historically been financed mainly through cash pool arrangements. To illustrate the effects of the New Lassila & Tikanoja Companies' historical intra-group financing, cash pool liabilities to and cash pool receivables from the Demerging Company have been included in these carve-out financial statements as financial liabilities and assets and are presented as related party transactions. Interest income and expenses related to the New Lassila & Tikanoja companies' cash pool receivables and liabilities are presented as related party transactions in the carve-out financial statements. In the demerger, these Demerging Company's intra-group loan receivables from and liabilities to the New Lassila & Tikanoja Companies will be transferred to the New Lassila & Tikanoja Plc. Accordingly, these intra-group receivables and liabilities will be fully eliminated from the consolidated financial statements of the New Lassila & Tikanoja after the demerger.

The carve-out financial statements include the existing external financing arrangements of the New Lassila & Tikanoja Companies and the related interest expenses. The Demerging Company's external financing arrangements have not previously been drawn or directly allocated to the business of the New Lassila & Tikanoja, and the Demerging Company's external financing cannot be reliably allocated to the New Lassila & Tikanoja in the carve-out financial statements. Accordingly, financial income and expenses related to the Demerging Company's external financing have not been allocated to the New Lassila & Tikanoja. The Demerging Company has agreed with its creditors that, in connection with the demerger, a certain amount of the Demerging Company's external debt will be transferred to the New Lassila & Tikanoja in accordance with the demerger plan. The carve-out financial statements have not been adjusted to reflect the share of the Demerging Company's debt to be transferred to the New Lassila & Tikanoja in the demerger.

The financing presented in the carve-out financial statements may differ significantly from the financing needs of the New Lassila & Tikanoja as an independent company in the future. It should be noted that the finance costs included in the carve-out financial statements do not necessarily reflect what the finance costs would have been had the New Lassila & Tikanoja historically obtained financing independently, nor do they necessarily represent the future finance costs of the New Lassila & Tikanoja.

Invested Equity

The New Lassila & Tikanoja has not previously constituted a separate legal group nor prepared separate consolidated financial statements, and therefore it is not meaningful to present share capital or a breakdown of equity reserves. The net assets attributable to the New Lassila & Tikanoja are represented in the combined statement of financial position as invested equity, which consists of currency translation differences, invested equity, and retained earnings.

Changes in the net assets allocated to the New Lassila & Tikanoja are presented separately in the combined statement of changes in invested equity under the line item "Equity transactions with the Demerging Group" and in the combined statement of cash flows under the line item "Equity financing with Demerging Group, net". These reflect intra-group equity financing between the Demerging Group and the New Lassila & Tikanoja during the periods presented. The amount of invested equity is affected by the net assets allocated to the New Lassila & Tikanoja, which comprise income and expenses, assets and liabilities allocated from the Demerging Company and other companies in the Demerging Group to the New Lassila & Tikanoja.

Translation differences are recognised in a separate accumulated currency translation differences item included in the total invested equity, and changes in these are presented in other comprehensive income.

The capital structure allocated to the New Lassila & Tikanoja for the purposes of preparing the carve-out financial statements, i.e. invested equity, does not as such reflect the capital structure that the New Lassila & Tikanoja would have required had it operated as a separate group during the periods presented. The equity of the New Lassila & Tikanoja will be formed upon completion of the demerger, and the New Lassila & Tikanoja Plc will have share capital and other reserves as described in the demerger plan.

Income Taxes

The subsidiaries belonging to the New Lassila & Tikanoja Group have operated as separate taxable entities during the financial periods presented in these carve-out financial statements. For these companies, the tax expenses as well as tax liabilities and receivables included in the carve-out financial statements are based on actual taxation.

New Lassila & Tikanoja Plc, which will be established through the partial demerger from the Demerging Company, has not filed separate tax returns during the periods presented. The tax expense presented in these carve-out financial statements includes an additional tax expense calculated as if New Lassila &

Tikanoja Plc had been a separate taxable entity. This tax expense is presented in the carve-out financial statements as a tax expense in the income statement and, in the statement of financial position, as a transaction with the remaining Demerging Group, which has been recognised in invested equity.

The line item "Income taxes paid" in the combined statement of cash flows reflects taxes based on the taxable income of all New Lassila & Tikanoja companies for the period, as they are considered to have been paid by the respective companies. To the extent that such taxes have not historically been paid in cash, these taxes are considered to represent investments made by, or distributions of assets to, the Demerging Group, and are deemed to be settled immediately through equity. Such equity-settled transactions are presented in the financing cash flows of the combined statement of cash flows under "Equity financing with Demerging Group, net".

The tax expenses presented in the combined income statement do not necessarily reflect the tax expenses that may arise in the future when the New Lassila & Tikanoja companies operate as separate taxable entities.

Foreign Currency Transactions
The carve-out financial statements are presented in euros, which is the functional and reporting currency of the parent company of the New Lassila & Tikanoja. The New Lassila & Tikanoja Group also includes foreign subsidiaries whose functional currency is the Swedish krona. At each reporting date, the income statements of the foreign New Lassila & Tikanoja companies are translated into euros at the average exchange rate for the financial period, and the balance sheets are translated at the exchange rate prevailing on the balance sheet date. Foreign currency transactions are recognised at the exchange rate prevailing on the date of the transaction.

The items in the statement of financial position and income statement translated into euros have been allocated either to the New Lassila & Tikanoja or to the remaining Demerging Group. The translation difference related to the allocated items is recognised in invested equity, and changes in the translation difference are presented in the combined statement of comprehensive income.

Earnings per share

The carve-out financial statements have been prepared in accordance with the carve-out principle, and therefore it is not possible to determine earnings per share. The New Lassila & Tikanoja has not had share capital during the periods presented in these carve-out financial statements, nor can it be allocated a portion of the Demerging Company's outstanding shares. For these reasons, management considers that it is not possible to accurately calculate the earnings per share of the New Lassila & Tikanoja based on the carve-out figures, and thus the requirement to present earnings per share under IAS 33 "Earnings per Share" has not been applied.

New and amended standards and interpretations applied

New and amended standards and interpretations adopted in 2022
The New Lassila & Tikanoja has adopted the following new and amended standards and interpretations issued by the IASB, which are to be applied from 1 January 2022:

- Annual Improvements to IFRS Accounting Standards 2018–2020: The amendment to IFRS 9 Financial Instruments clarifies whether a modification of a financial liability results in the derecognition of the existing liability and the recognition of a new liability. The annual improvements to other standards are not material to New Lassila & Tikanoja.
- Amendments to IAS 16 Property, Plant and Equipment: The amended standard clarifies how proceeds from selling items produced while bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management should be recognised. According to the clarification, such proceeds should be reported as revenue and not as a deduction from costs.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: The amended standard clarifies that the cost of fulfilling a contract includes costs that relate directly to the contract, including incremental costs such as labour and materials, and an allocation of other costs

that relate directly to fulfilling contracts, such as the depreciation of assets used in fulfilling the contract.

The amendments to standards that came into force on 1 January 2022 have had no impact on the past financial year and are not expected to have a material impact on future financial years or on anticipated business transactions.

New and amended standards and interpretations adopted in 2023

The New Lassila & Tikanoja has adopted the following new and amended standards and interpretations issued by the IASB, which are to be applied from 1 January 2023:

- Amendments to IAS 12 Income Taxes – Deferred Taxes related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how deferred taxes should be recognised for a single transaction, such as a lease.
- Amendments to IAS 1 Presentation of Financial Statements: The amendment clarifies in which circumstances a change in accounting policy is material and must be disclosed.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendment clarifies the definition and application of an accounting estimate.
- Amendments to IAS 12 Income Taxes – International Tax Reform: Pillar Two is an OECD initiative to address tax challenges arising from the digitalisation of the global economy by introducing Global Anti-Base Erosion (GloBE) rules and a related 15 per cent global minimum tax. In December 2022, the Council of the European Union adopted Directive (EU) 2022/2523, requiring EU Member States to incorporate the GloBE rules into national legislation by 31 December 2023. The New Lassila & Tikanoja has applied the exemption provided in paragraph 4A of IAS 12 and has not recognised or disclosed information on deferred tax assets or liabilities related to Pillar Two income taxes. According to management's assessment, the Group's exposure to additional tax is limited, as the Group operates in Finland and Sweden, both of which have a corporate tax rate exceeding 15 per cent.

The amended standards that came into force on 1 January 2023 have had no impact on the past financial year and are not expected to have a material impact on future financial years or anticipated business transactions.

New and amended standards and interpretations adopted in 2024

The New Lassila & Tikanoja has adopted the following new and amended standards and interpretations issued by the IASB, which are to be applied from 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements: The amended standard clarifies that loan covenants which are required to be complied with and assessed only after the reporting date do not affect the classification of a liability as current or non-current at the reporting date. However, covenants that must be met on or before the balance sheet date must be considered in the classification of the liability as current or non-current, even if compliance with the covenant is assessed only after the reporting date.
- Amendments to IFRS 16 Leases: The amendment clarifies the accounting treatment and measurement of sale and leaseback transactions, particularly regarding the value of the right-of-use asset, which the seller-lessee measures based on the retained economic benefits.

The amended standards that came into force on 1 January 2024 have had no impact on the past financial year and are not expected to have a material impact on future financial years or anticipated business transactions.

New and amended standards and interpretations to be applied in future financial periods

The New Lassila & Tikanoja will adopt new standards and interpretations from their effective date, or, if the effective date is other than the first day of the financial year, from the beginning of the financial year following the effective date.

On 9 April 2024, the International Accounting Standards Board (the IASB) issued IFRS 18 "Presentation and Disclosure in Financial Statements". The standard replaces IAS 1 "Presentation of Financial Statements" and it also introduces amendments to several other IFRS Accounting Standards, such as IAS 7 "Statement of

Cash Flows" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The standard includes:

- new required totals, subtotals and categories in the statement of profit or loss,
- new requirements for disclosures regarding management-defined performance measures, and
- guidance on aggregation and disaggregation of information to be presented.

The company is currently analysing the requirements of the new standard and the changes it will require to systems and chart of accounts.

The standard must be applied for financial years beginning on or after 1 January 2027. Earlier application is also permitted. The New Lassila & Tikanoja will begin applying the standard for the financial year starting on 1 January 2027.

No other new or amended standards or amendments known to be adopted in the future are expected to have a material impact on the financial reporting of New Lassila & Tikanoja.

Critical judgements by Management

In addition to the carve-out principles applied in the carve-out financial statements and related estimates and assumptions, in preparing the IFRS financial statements, the management of the New Lassila & Tikanoja is required to make estimates and assumptions about the future, the outcomes of which may differ from those estimates and assumptions. Management must also exercise judgement when making decisions regarding the selection and application of accounting principles.

Judgement-based decisions particularly concern cases where the applicable IFRS Accounting Standards provide alternative methods for recognition, measurement, or presentation.

The preparation of financial statements requires management to use estimates and assumptions that affect the amounts of assets and liabilities at the balance sheet date, as well as the income and expenses for the financial period. The estimates and assumptions are based on management's best knowledge at the time of preparing the financial statements, previous experience, and the most probable assumptions regarding the future at the balance sheet date. The most significant area in which management has exercised such judgement relates to the measurement of assets and liabilities recognised in connection with acquired businesses.

The key assumptions concerning the future and the key sources of estimation uncertainty relating to the balances at the reporting date, which present the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed in the following notes:

1.2 Revenue from contracts with customers
2.4 Other non-current liabilities
2.5 Provisions
3.2 Goodwill impairment testing
3.4 Right-of-use assets and lease liabilities
5.3 Business acquisitions

1. Financial result

1.1 Segment reporting

Accounting policy

Segment information is reported in a manner consistent with the internal reporting and management structure provided to the chief operating decision-maker. The segment data in the carve-out financial statements has been reported in accordance with the reporting structure of the Demerging Group as of 31 December 2024, and the chief operating decision-maker has been the CEO of the Demerging Company, who is responsible for allocating resources to operating segments and assessing their performance. The chief operating decision-maker evaluates the performance of operating segments based on adjusted operating profit and operating profit. Additionally, capital employed and gross capital expenditure of the segments have been reported monthly to the chief operating decision maker.

Capital employed consists of equity plus interest-bearing financial liabilities. The segment's capital employed is defined based on the assets and liabilities that the segment uses in its operations and that can be reasonably allocated to the segment. Gross capital expenditure consists of investments in intangible assets and property, plant and equipment, including business acquisitions. For right-of-use assets, only acquisitions of heavy rental equipment are included in gross capital expenditure.

The item "Unallocated items and eliminations" includes the portion of the Demerging Company's group administration income and expenses allocated to the New Lassila & Tikanoja, which have not been allocated to segments. These income and expenses include items common to the entire Demerging Group, such as group management expenses and costs arising from operating as a listed company. The capital employed corresponding to these income and expenses is also included in the "Unallocated items and eliminations" item. In addition, this item includes lease liabilities and eliminations as well as carve-out adjustments.

Operating segments

The new Lassila & Tikanoja has historically as part of the Demerging Group consisted of two operating and reportable segments: Environmental Services and Industrial Services.

The Environmental Services division consists of waste management and recycling business, the sale and maintenance of waste containers, and new circular economy solutions. This division operates exclusively in Finland.

The Industrial Services division comprises material recovery solutions focused on material flows generated in industrial processes and their utilization, specialized process cleaning services for industrial processes, the collection and treatment of hazardous waste, and sewer maintenance and inspection services. The division operates in both Finland and Sweden.

2024, MEUR	Environmental services	Industrial Services	Unallocated items and eliminations	New Lassila & Tikanoja
External net sales	280.8	143.0	-	423.9
Inter-division net sales	0.7	2.1	-2.7	-
Net sales	281.5	145.1	-2.7	423.9
Materials and services	-82.1	-43.9	2.4	-123.6
Employee benefit expenses	-88.9	-46.3	-5.1	-140.3
Other operating expenses	-56.6	-26.6	4.4	-78.8
Operating profit	26.2	15.1	-0.8	40.5
Items affecting comparability[1]	0.5	1.1	0.6	
Adjusted operating profit	26.6	16.2	-0.2	
Financial income and expenses				-4.7
Share of the result of associated companies and joint ventures				3.2
Result before taxes				38.9
Income taxes				-7.4
Result for the period				31.5
Capital employed	207.3	92.4	21.7	
Gross capital expenditure	18.4	17.4	0.3	
Depreciation, amortisation and impairments	30.1	13.4	-0.1	43.4

2023, MEUR	Environmental services	Industrial Services	Unallocated items and eliminations	New Lassila & Tikanoja
External net sales	282.9	139.2	-	422.1
Inter-division net sales	0.8	1.8	-2.6	-
Net sales	283.7	141.0	-2.6	422.1
Materials and services	-85.1	-44.8	2.2	-127.6
Employee benefit expenses	-87.3	-44.1	-5.6	-137.0
Other operating expenses	-56.7	-26.0	4.5	-78.2
Operating profit	25.9	13.8	-1.4	38.3
Items affecting comparability[1]	-	0.2	0.1	
Adjusted operating profit	25.9	14.0	-1.4	
Financial income and expenses				-2.9
Share of the result of associated companies and joint ventures				3.6
Result before taxes				39.0
Income taxes				-6.6
Result for the period				32.4
Capital employed	208.0	92.2	16.2	
Gross capital expenditure	40.2	17.5	0.6	
Depreciation, amortisation and impairments[2]	31.5	12.8	-0.0	44.3

2022, MEUR	Environmental services	Industrial Services	Unallocated items and eliminations	New Lassila & Tikanoja
External net sales	320.6	130.3	-	450.9
Inter-division net sales	0.6	1.8	-2.4	-
Net sales	321.2	132.0	-2.4	450.9
Materials and services	-124.7	-41.8	2.0	-164.5
Employee benefit expenses	-83.8	-40.7	-5.1	-129.6
Other operating expenses	-56.4	-24.7	3.0	-78.1
Operating profit	30.3	12.7	1.7	44.6
Items affecting comparability[1]	-	0.8	-2.9	
Adjusted operating profit	30.3	13.6	-1.2	
Financial income and expenses				-1.5
Share of the result of associated companies and joint ventures				0.7
Result before taxes				43.8
Income taxes				-8.3
Result for the period				35.5
Capital employed	197.3	95.2	30.0	
Gross capital expenditure	20.3	34.6	0.5	
Depreciation, amortisation and impairments	26.9	12.3	0.3	39.4

[1] Items affecting comparability mainly include expenses related to business acquisitions, including changes in the fair value of the deferred consideration related to the acquisition of Sand & Vattenbläst i Tyringe AB ("SVB"), as well as expenses related to business restructurings. In addition, the items affecting comparability in Unallocated items and eliminations in 2022 include a EUR 4.3 million gain on the sale of the fuel wood business to the joint venture Laania. Further information on the valuation of the deferred consideration related to SVB is presented in Note 2.4 Other non-current liabilities, and on the sale of the fuel wood business in Note 5.4 Business disposals and assets and liabilites classified as held for sale.

[2] The figure for Environmental Services in 2023 includes an impairment of intangible assets totalling EUR 1.9 million. The impairment consists of expenses of the previous supplier of the new ERP system capitalised in prepayments and construction in progress.

Information on the geographical areas

Accounting policy

The New Lassila & Tikanoja operates in Finland and Sweden. Net sales of geographical areas are reported based on the geographical location of the customer, and assets are reported by geographical location of the assets.

MEUR	2024	2023	2022
Net sales			
Finland	393.3	398.6	429.9
Sweden	21.2	16.8	15.9
Other countries	9.4	6.7	5.2
Total	423.9	422.1	450.9
Assets			
Finland	441.1	443.7	446.7
Sweden	11.9	10.8	9.2
Total	453.0	454.5	455.9
Gross capital expenditure			
Finland	31.9	56.0	39.3
Sweden	4.2	2.2	16.1

1.2 Revenue from contracts with customers

Accounting policy
Revenue from contracts with customers is recognised when or as the performance obligation is satisfied by transferring a promised good or service to the customer. A good or a service is transferred when the customer obtains control of the good or service. Revenue is recognised based on the transaction price to which L&T expects to be entitled in exchange for transferring the good or service.

The New Lassila & Tikanoja acts as a principal in all of its contracts with customers.

The New Lassila & Tikanoja applies the practical expedient and does not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period. This is because the contract period in the customer contracts for project deliveries is typically short. However, in long-term service agreements the contract period can be several years. For these contracts the New Lassila & Tikanoja applies the practical expedient according to which the New Lassila & Tikanoja is entitled to a consideration from the customer that corresponds directly with the value to the customer from the New Lassila & Tikanoja's performance completed to date. In these contracts the New Lassila & Tikanoja recognises revenue for the amount that it is entitled to invoice.

Critical judgements by Management
The amount and timing of revenue recognition involves management's judgement especially in the following areas:

-Timing of revenue recognition in services and project business
-Treatment of repurchase agreements relating to compactors and balers including the assessment of the materiality of financing component
-Measurement of variable consideration

These judgements have been described in more detail in the description relating to revenue recognition.

Services business
Services business comprises of long-term service agreements and separately ordered services.

Long-term service agreements include for example waste management and recycling services. Long-term service agreements include one or more performance obligations depending on the amount of distinct services provided to the customer. A typical characteristic of long-term services is that services are delivered evenly throughout the contract term. Each service is a distinct performance obligation as the customer can benefit from the services on its own and could order the services from different service providers. If a contract contains more than one distinct performance obligation, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

In addition to the long-term service agreements, the New Lassila & Tikanoja offers services which are separately ordered. Compared to the long-term service agreements, services that are ordered separately are typically short-term in nature and they are provided either occasionally or on a non-recurring basis.

Revenue from services business is recognised over time, as the customer simultaneously receives and consumes the benefits from the services provided. Revenue from services that are invoiced with a fixed-term fee is recognised evenly over the contract term as also the work is performed evenly over the term. Revenue from services that are invoiced based on hourly fees is recognised based on the work performed.

The environmental construction business line receives contaminated soil from customers, for which the performance obligation is the receipt and processing of soil. Measuring progress towards complete satisfaction of the performance obligation is based on the output method. Revenue is recognised based on the amount of processed soil. Customer is invoiced when soil is received and the payment received from the customer is treated as a contract liability.

Project business

Project business of the New Lassila & Tikanoja includes projects for industrial process cleaning and closing of landfills. In project business the customer orders the entire project at once and the project is considered as a single performance obligation. In some cases, a contract can also consist of several different locations and each location creates a distinct performance obligation. If the contract contains more than one distinct performance obligation, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

Revenue from project business is recognised over time as the projects mainly relate to enhancing an asset that the customer controls. In project business the input method based on costs incurred is used for measuring the progress towards complete satisfaction of the performance obligation. The management has estimated that the costs incurred for a project can be determined reliably. Also, due to the contract structure in project business the management has determined that the New Lassila & Tikanoja has an enforceable right to payment for performance completed to date. In project business, invoicing is typically based on a predetermined payment schedule.

Sale of equipment and materials

Sale of equipment consists of sale of compactors and balers to customers. Sale of materials consists of sale of wood-based fuels and recycled fuels as well as of sale of other recycled raw materials. Each equipment or material delivery creates a distinct performance obligation in the sale of equipment and materials. The equipment delivered by the New Lassila & Tikanoja does not involve any additional warranties that would be considered as a distinct performance obligation.

Control of the delivered product is transferred when the physical possession of the product has been transferred to the customer, which typically occurs at delivery. The New Lassila & Tikanoja delivers wood-based fuels and recycled fuels to customers. The consideration received from a customer is based on the amount of delivered fuel and the energy level of the fuel or on the amount of the delivered material. In some cases, the final transaction price is determined after the customer has measured the amount of fuel delivered, and, thus, there is uncertainty relating to the amount of final transaction price. Management has estimated that the level of uncertainty related to the transaction price is low and any adjustments to be made to the transaction price when the uncertainty is resolved are not considered to be material.

Lease income

In addition to the sale of compactors and balers, customers can also lease the equipment through an external financing company. The agreement made between the New Lassila & Tikanoja and the financing company includes a repurchase obligation at the end of the lease period with a predetermined residual value. Due to the repurchase obligation management has determined that all the risks and rewards incidental to ownership of the assets are not transferred substantially to the customer and, thus, the leased equipment is treated as tangible assets. At the inception of the lease, advances received from the financing company as well as the residual value of the asset are recognised as a liability in the balance sheet. Lease income is recognised monthly during the lease term. Management has estimated that the amount of payment received from the financing company does not Include a significant financing component based on the low amount of lease income.

Estimating variable consideration

The contracts with customers may include components of variable considerations, such as bonuses and penalties for delay. Baset on historical data, management has assessed that the level of uncertainty relating to the variable consideration is generally low, and the variable consideration has been fully included in the amount to be recognised as revenue. The estimate of the amount of variable considerations is reassessed at the end of each reporting period.

Contract balances

Contract assets and trade receivables

A contract asset is a right to consideration in exchange for goods or services that are transferred to a customer. If goods or services are transferred to a customer before the invoice is sent to the customer, the amount is recognised as a contract asset. If the New Lassila & Tikanoja has an unconditional right to the consideration, a trade receivable is recognised in the statement of financial position.

Contract assets and trade receivables are assessed for impairment. The general payment term for customers is 14 days, but it can vary depending on the specific case.

Contract liabilities

A contract liability is an obligation to transfer goods or services to a customer for which the New Lassila & Tikanoja has received consideration from the customer. If a customer pays consideration before goods or services are transferred to the customer, a contract liability is recognised in the statement of financial position when the payment is made by the customer.

Incremental costs of obtaining a contract

The New Lassila & Tikanoja does not have material incremental costs to obtain a contract. The New Lassila & Tikanoja applies a practical expedient which allows the costs to obtain a contract to be recognised when they occur.

Disaggregation of revenue

Net sales consist of services for which revenue is recognised over time, products for which revenue is recognised at a point in time as well as lease income. Services for which revenue is recognised over time include sales revenue from long-term service agreements, separately ordered services and the project business. Services for which revenue is recognised at a point in time include revenue from the sale of equipment and materials.

MEUR	2024	2023	2022
Long-term service agreements	289.4	292.5	280.6
Separately ordered services	66.0	58.5	59.0
Project business	9.9	11.8	9.7
Sales of equipment and materials	55.1	55.7	98.3
Lease income	3.5	3.5	3.3
Total net sales	423.9	422.1	450.9

Contract balances

MEUR	2024	2023	2022
Trade receivables	49.4	54.6	58.4
Contract assets	7.2	8.7	5.8
Contract liabilities	7.3	8.5	6.4

Contract assets consist of uninvoiced sales, which will be invoiced during the following reporting period and related to which the New Lassila & Tikanoja does not have unconditional right to consideration at balance sheet date.

Contract liabilities are mainly related to the long-term service agreements and are recognised as revenue entirely during the following period. Contract liabilities are included in the balance sheet item Trade and other payables.

No revenue was recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

1.3 Employee benefit expenses

Accounting policy

The New Lassila & Tikanoja's employee benefits include wages, salaries and bonuses paid to employees, post-employment benefits (defined contribution plans), share-based payments and other personnel expenses (statutory social security costs).

Under defined contribution plans, the New Lassila & Tikanoja pays fixed contributions for pensions, and it has no legal or factual obligation to pay further contributions. Contributions to defined contribution plans are recognised in the income statement in the financial period to which they relate.

Details on share-based payments are disclosed in note 1.5 Share-based payments. The employee benefits of the top management are disclosed in note 5.5 Related-party transactions.

Carve-out principle

The tables below include the personnel directly employed by the New Lassila & Tikanoja and the related expenses. In addition, for the preparation of the carve-out financial statements, a portion of the expenses related to the management and corporate functions of the Demerging Company has been allocated to the New Lassila & Tikanoja. The allocation key used is a relevant identifier for each corporate function, such as revenue or headcount. Half of the Demerging Company's total headcount has been allocated to the New Lassila & Tikanoja for the purposes of preparing the carve-out financial statements. Management considers these allocation principles to be appropriate.

MEUR	2024	2023	2022
Wages, salaries and bonuses	115.4	111.8	105.9
Pension costs	21.7	20.7	19.7
Share-based payments	0.2	0.3	0.1
Other personnel expenses	3.0	4.1	4.0
Total	140.3	137.0	129.6

The New Lassila & Tikanoja has in Sweden pension deposits concerning a few people. The New Lassila & Tikanoja has no legal or factual obligation to pay further contributions to these arrangements. The value of the deposits is recognised in other non-current receivables and a corresponding liability is recognised in pension liabilities.

Average number of employees in full-time equivalents

	2024	2023	2022
Finland	1,789	1,810	1,907
Sweden	86	80	74
Total	1,875	1,890	1,981

1.4 Materials and services and other operating income and expenses

Accounting policy

Materials and services mainly consist of costs related to equipment, supplies and raw materials, short-term production-related rental expenses, waste management fees, subcontracted services, and costs of temporary agency labour.

Other operating income includes items that are not considered as being directly related to the New Lassila & Tikanoja's normal business, such as gains from sales of assets and business activities and received compensations. Other operating expenses include, for instance, fees for expert and consulting services, losses from sales of assets and business activities, bad debts and changes in allowances for credit losses, expenses related to the use of vehicles and machinery, ICT costs, voluntary social security costs, travel costs, real estate costs and implementation costs of cloud computing arrangements.

Government grants

Government grants or other grants relating to actual costs are recognised in the income statement when the New Lassila & Tikanoja complies with the conditions attached to them and there is reasonable assurance that the grants will be received. They are presented in other operating income. Government grants directly associated with the recruitment of personnel, such as employment grants, apprenticeship grants and the like, are recognised as reductions in personnel expenses.

Grants for acquisition of property, plant and equipment are recognised as deductions of historical cost. The grant is recognised as income over the economic life of a depreciable asset, by way of a reduced depreciation charge.

MEUR	2024	2023	2022
Materials and services			
Materials and supplies	83.6	87.6	111.8
Subcontracted services	38.0	37.5	50.2
Production-related rental expenses	1.8	2.2	2.2
Purchases from the Demerging Group	0.2	0.3	0.3
Total	123.6	127.6	164.5

MEUR	2024	2023	2022
Other operating income			
Gains on sales of property, plant and equipment	1.0	0.2	0.3
Gain from sale of subsidiary's net assets to joint venture	-	-	4.3
Reimbursements and government grants[1]	0.2	1.9	0.3
Other	1.4	1.2	0.4
Total	2.7	3.3	5.3

[1] The figure in 2023 includes a compensation totalling EUR 1.6 million paid by the previous supplier of a new ERP system relating to the termination of the co-operation.

MEUR	2024	2023	2022
Other operating expenses			
ICT costs	8.0	7.7	7.2
Travel costs	5.2	5.4	4.4
Bad debts and changes in allowances for credit losses	0.6	0.4	0.3
Fuels for vehicles and machinery	23.1	24.9	26.1
Maintenance and repair of vehicles and machinery	22.3	21.7	18.0
Insurances	2.6	2.4	3.3
Property maintenance costs	5.6	5.3	5.3
Expert fees[1]	2.2	2.4	4.3
Voluntary social security costs	3.1	3.3	3.4
Marketing costs	1.1	1.1	1.3
Losses on sales of intangible and tangible assets	0.3	0.1	0.4
Other[2]	4.7	3.6	4.1
Total	78.8	78.2	78.1

[1] The figure in 2023 includes a compensation totalling EUR 0.9 million paid by the previous supplier of a new ERP system relating to the termination of the co-operation.

[2] The figure in 2023 includes a compensation totalling EUR 0.5 million paid by the previous supplier of a new ERP system relating to the termination of the co-operation.

1.5 Share-based payments

Accounting policy

The Demerging Group has historically had several incentive schemes for which payments are made either as equity instruments or cash. The benefits granted under the arrangements are measured at fair value on the grant date and recognised as expense evenly over the vesting period. The effect of the scheme on profit and loss is recognised under employee benefit expenses.

Carve-out principle

Certain key personnel among those transferring directly with New Lassila & Tikanoja Plc's subsidiaries in the Demerger have historically participated in the Demerging Company's share-based incentive schemes. The share and personnel figures presented in the tables below include only these individuals. The expenses recognised for the share-based incentive schemes also include the portion belonging to the New Lassila & Tikanoja attributable to individuals involved in the Demerging Company's group functions. The allocation of these expenses has followed the same principles used for centrally provided services, which management considers an appropriate method for allocating costs related to share-based payments. Part of these individuals in the Demerging Company's group functions will be transferd to the New Lassila & Tikanoja in the demerger.

The historical cost allocations may not be indicative of the future expenses that will arise through incentive schemes that will be established for the New Lassila & Tikanoja's key personnel in the future.

Share-based incentive programme 2021

The Demerging Company's Board of Directors decided at a meeting held on 27 January 2021 on a new share-based incentive programme. Potential rewards were based on the EVA result and the carbon handprint of the Demerging Group.

Based on the decision by the board of directors of the Demerging Company, a total of 5,312 Demerging Company's shares were granted in 2022 from the share-based incentive programme of year 2021 to the persons to be transferred to the New Lassila & Tikanoja.

Share-based incentive programme 2022

The Demerging Company's Board of Directors decided at a meeting held on 26 January 2022 on a new share-based incentive programme. Potential rewards are based on the EVA result and the carbon handprint of the Demerging Group.

The performance criteria for the share-based incentive programme 2022 were not met, and no Demerging Company's shares were granted from the share-based incentive programme.

Performance Share Plan 2023–2027

The Demerging Company's Board of Directors decided at a meeting held on 14 December 2022 on a new share-based incentive programme aimed at key employees of the Demerging Group, including the Demerging Group's President and CEO and the Group Executive Board. The Performance Share Plan 2023–2027 comprises three three-year performance periods covering the calendar years 2023–2025, 2024–2026 and 2025–2027. The Board of Directors of the Demerging Company decides on the performance criteria of the plan and the performance levels to be set for each performance criterion at the beginning of a performance period.

Potential rewards of performance period 2023-2025 will be based on the Demerging Group's return on capital employed (ROCE), total shareholder return (TSR) and reduction of the carbon footprint (ESG) during the period 2023-2025.

Potential rewards of performance period 2024-2026 will be based on the Demerging Group's return on capital employed (ROCE), total shareholder return (TSR) and reduction of the carbon footprint (ESG) during the period 2024-2026.

Potential rewards of performance period 2025-2027 will be based on the Demerging Company's total shareholder return (TSR), the Demerging Group's return on capital employed (ROCE), reduction of the carbon footprint (ESG), and revenue during the period 2025-2027.

Bridge Plan 2023–2026

The Demerging Company's Board of Directors decided at a meeting held on 14 December 2022 on a new share-based incentive programme. The Bridge Plan 2023–2026 has two (2) one-year (1) performance periods covering the calendar years 2023 and 2024. A performance period is followed by a two-year retention period. The aim of the plan is to support the transition from the old Performance Share Plan to the new Performance Share Plan. The target group of the Bridge Plan consists of the Demerging Group's President and CEO and the Group Executive Board. The Demerging Company's Board of Directors decides on the performance criteria of the plan and the performance levels to be set for each performance criterion at the beginning of a performance period.

Rewards of performance period 2023 were based on the Demerging Group's return on capital employed (ROCE) and reduction of the carbon footprint (ESG) in 2023.

Potential rewards of performance period 2024 were based on return on the Demerging Group's capital employed (ROCE) and reduction of the carbon footprint (ESG) in 2024.

Information on the share-based incentive programmes

	Performance share plan 2023-2027		
Share-based incentive programme	**Performance period 2025-2027**	**Performance period 2024-2026**	**Performance period 2023-2025**
Grant date	-	17 Jan 2024	16 Jan 2023
Start of the earnings period	1 Jan 2025	1 Jan 2024	1 Jan 2023
End of the earnings period	31 Dec 2027	31 Dec 2026	31 Dec 2025
Average share price at grant date	-	9.88	11.48
Maximum number of shares	68,477	52,015	46,083
Realisation on closing date, shares			
Returned shares			
Obligation to hold shares, years	-	-	-
Release date of shares	-	-	-
Number of persons included	14	14	14

	Bridge plan 2023-2026			
Share-based incentive programme	**Performance period 2024**	**Performance period 2023**	**2022**	**2021**
Grant date	17 Jan 2024	16 Jan 2023	26 Jan 2022	27 Jan 2021
Start of the earnings period	1 Jan 2024	1 Jan 2023	1 Jan 2022	1 Jan 2021
End of the earnings period	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021
Average share price at grant date	9.88	11.48	13.06	15.40
Maximum number of shares	7,600	15,200	7,600	7,600
Realisation on closing date, shares	-	7,800	-	5,312
Returned shares			-	-
Obligation to hold shares, years	2	2	2	2
Release date of shares	31 Mar 2027	31 Mar 2026	31 Mar 2025	31 Mar 2024
Number of persons included	1	2	2	2

Expenses arising from share-based incentive programmes, MEUR	**2024**	**2023**	**2022**
Share component	0.2	0.3	0.1
Total	0.2	0.3	0.1

1.6 Expenses related to leases

Accounting policy

The New Lassila & Tikanoja leases production and office premises including related land areas, vehicles and ICT equipment. At the commencement date of a lease contract, a right-of-use asset and a lease liability, measured as the present value of the remaining lease payments, is recognised in the statement of financial position.

The right-of use asset is subsequently measured at cost less accumulated depreciation and less any accumulated impairment losses and adjusted for any remeasurements of the lease liability. Depreciation is calculated using the straight-line method from the commencement date to the earlier of the end of the lease term or the end of the useful life of the right-of-use asset. The depreciations of right-of-use assets are presented in depreciation, amortisation and impairments in the income statement.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or price level or if the New Lassila & Tikanoja changes its assessment of whether it will exercise a purchase, extention or termination option. The interest expense on the lease liability is included in the financial income and expenses in the income statement. In the statement of cash flows, the amortisation of lease liabilites is presented in the cash flows from financing activities and the interest paid in the cash flows from operating activities.

The New Lassila & Tikanoja applies the exemption for short-term leases to production and office premises leases and the exemption for low-value assets to leases of ICT equipment. For these leases, the right-of-use asset and lease liability is not recognised. The lease payments of low-value assets and short-term leases are included in Other operating expenses and Materials and services in the income statement.

Carve-out principle

Lease agreements over which New Lassila & Tikanoja companies have control, or where the New Lassila & Tikanoja has been the primary user and which will transfer to the New Lassila & Tikanoja in the demerger, have been presented as lease agreements in the carve-out financial statements.

New Lassila & Tikanoja and the remaining businesses of the Demerging Company have historically operated in shared leased premises and offices in certain locations. For these premises, the legal lessee has invoiced the other companies using the premises for their proportional share of the costs. For premises where New Lassila & Tikanoja companies are not the legal lessee and the lease agreement will not transfer to New Lassila & Tikanoja in the demerger, the cost related to the use of such premises has been included in New Lassila & Tikanoja's carve-out financial statements and presented under other operating expenses as a related party transaction. For premises where New Lassila & Tikanoja companies are the legal lessee and the lease agreement will transfer to New Lassila & Tikanoja in the demerger, and the remaining businesses of the Demerging Group use the premises, the portion of the premises used by the remaining businesses of the Demerging Group has been included as income in New Lassila & Tikanoja's carve-out financial statements and presented as a related party transaction.

MEUR	2024	2023	2022
Depreciation expense of right-of-use assets	-14.5	-14.7	-12.8
Interest expenses on lease liabilities	-2.3	-1.8	-1.1
Expenses related to leases of low-value assets	-1.5	-1.8	-2.0
Total	-18.4	-18.4	-15.9

The cash flows related to leases totalled EUR -17.8 million in 2024, EUR -18.2 million in 2023 and EUR -17.2 million in 2022.

1.7 Depreciation, amortisation and impairments

Accounting policy

Depreciation and amortisation

Depreciation and amortisation is recognised on a straight-line basis over the economic useful life of an asset, or over the lease period, if shorter.

Intangible assets: 5-10 years
Intangible assets from acquisitions: 3-13 years
Buildings and structures: 5-30 years
Vehicles: 6-15 years
Machinery and equipment: 4-15 years

Goodwill is not amortised, but is tested annually for impairment during the last quarter of the year. For completed landfills the Group applies the units of production method, which involves depreciation on the basis of the volume of waste received. Land is not depreciated.

Impairments

On each balance sheet date, the New Lassila & Tikanoja assesses the carrying amounts of its assets for any impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is made.

The recoverable amount is the higher of an asset's fair value less selling costs and its value-in-use. Value-in-use refers to the estimated future net cash flows available from an asset, discounted to the present value. The discount rate used is the pre-tax rate, which reflects the market view of the time value of money and the risks associated with the asset.

An impairment loss is recognised in the income statement when an asset's carrying amount exceeds its recoverable amount. Impairment losses attributable to a cash-generating unit are used for deducting first the goodwill allocated to the cash-generating unit and, thereafter, the other assets of the unit on an equal basis.

Intangible assets under construction are software projects that cannot be tested separately for impairment, as they do not generate separate cash flows. There is no need for impairment if, at the end of the financial period, it is clear that the projects will be completed and the software will be introduced. Intangible assets under construction are, however, tested for impairment as part of the cash generating unit to which they belong.

An impairment loss of an asset other than goodwill recognised in prior periods is reversed if there is a change in circumstances and the recoverable amount has changed. An impairment loss recognised on goodwill is not reversed. Goodwill impairment testing is described in note 3.2. Goodwill impairment testing.

Gains and losses on sales of assets

Gains and losses on sales and disposal of assets are recognised through profit or loss and are presented in other operating income or expenses.

MEUR	2024	2023	2022
Depreciation and amortisation			
Intangible assets	-3.4	-3.4	-3.0
Buildings	-5.1	-5.4	-6.0
Machinery and equipment	-20.3	-18.8	-17.4
Right-of-use assets	-14.5	-14.7	-12.8
Other tangible assets	0.0	0.0	0.0
Total	-43.4	-42.4	-39.4

MEUR	2024	2023	2022
Impairments[1]			
Intangible assets	-	-1.9	-
Total	-	-1.9	-
Gains / losses on sales of intangible and tangible assets			
Gain on sales of intangible and tangible assets	1.0	0.2	0.3
Loss on sales of intangible and tangible assets	-0.3	-0.1	-0.4
Total	0.7	0.2	-0.2

[1]Impairment of intangible assets in 2023 consists of expenses of the previous supplier of the new ERP system capitalised in prepayments and construction in progress.

1.8 Financial income and expenses

Accounting policy

Exchange rate gains and losses arising from foreign-currency transactions and the translation of monetary items are recognised in the income statement. Foreign exchange gains and losses on business transactions are included in the respective items above operating profit. Foreign exchange gains and losses on financial assets and liabilities are included in financial income and expenses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the acquisition cost of that asset. There were no such costs capitalised at the end of the reporting periods covered by the carve-out financial statements.

Transaction costs directly attributable to borrowing are included in the historical cost of the liability and recognised as an interest expense during the expected life of the liability applying the effective interest method.

Carve-out principle

Interest income and expenses from related parties have been determined based on the interest income and charges recognised directly by the New Lassila & Tikanoja legal entities. Interest expenses related to the lease agreements transferring to the New Lassila & Tikanoja at the Demerger are included in the finance expenses in the carve-out financial statements.

Finance expenses included in these carve-out financial statements may not necessarily represent what the finance expenses would have been, had the New Lassila & Tikanoja historically obtained financing on a stand-alone bases. These expenses may not be indicative of the cost of financing that will arise for the New Lassila & Tikanoja in the future.

MEUR	2024	2023	2022
Financial income			
Interest income on loans and other receivables	0.1	0.3	0.0
Interest income from related parties	0.1	0.1	0.1
Interest income from joint ventures	-	-	0.2
Dividend income	0.0	-	0.0
Foreign exchange gains	-	-	0.1
Total financial income	0.1	0.4	0.4
Financial expenses			
Interest expenses on borrowings measured at amortised cost	-0.1	-0.1	-0.1
Interest expenses on cash pool liabilities to related parties	-1.7	-0.7	-0.3
Interest expenses on lease liabilities	-2.3	-1.8	-1.1
Expenses related to factoring	-0.4	-0.3	-0.1
Other financial expenses	-0.3	-0.3	-0.3
Losses on foreign exchange	-0.0	-0.0	-
Total financial expenses	-4.9	-3.3	-1.9
Financial income and expenses	-4.7	-2.9	-1.5

1.9 Income taxes

Accounting policy

The New Lassila & Tikanoja's income taxes consist of current taxes and deferred taxes. Tax expenses are recognised in the income statement, with the exception of items directly recognised in equity or comprehensive result, in which case the tax effect is recognised in the corresponding item. Current taxes for the taxable profit for the period are determined according to prevailing tax rates in each country. Taxes are adjusted by current taxes related to previous periods, if any.

Deferred tax assets and liabilities are recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts. The deferred taxes are determined using tax rates enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realised or liability settled. No deferred tax is recognised for impairment of goodwill that is not tax-deductible. A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilised.

The most significant temporary differences arise from fair value measurements related to acquisitions and new intangible assets.

Carve-out principle

The subsidiaries belonging to the New Lassila & Tikanoja have operated as separate tax entities during the financial periods presented in these carve-out financial statements. For these companies, the tax expenses as well as tax liabilities and receivables included in the carve-out financial statements are based on actual taxation.

The New Lassila & Tikanoja Plc, which will be formed through a partial demerger from the Demerging Company, has not filed separate tax returns during the presented financial periods. The tax expense presented in these carve-out financial statements includes the tax expense of New Lassila & Tikanoja Plc, which has been determined as if New Lassila & Tikanoja Plc had been a separate taxable entity. This tax expense is presented in the carve-out financial statements as a tax expense in New Lassila & Tikanoja's income statement and as a transaction with the remaining Demerging Company in the balance sheet, recognised in invested equity.

Income tax in the income statement

MEUR	2024	2023	2022
Income tax for the period	-6.6	-6.5	-6.6
Income tax for previous periods	0.0	-0.1	-0.0
Change in deferred tax	-0.8	0.0	-1.7
Total	-7.4	-6.6	-8.3

The reconciliation of income tax expense recognised in the income statement and income tax calculated at the statutory tax rate in Finland

MEUR	2024	2023	2022
Profit before tax	38.9	39.0	43.8
Income tax at Finnish tax rate 20%	-7.8	-7.8	-8.8
Difference between tax rate in Finland and in other countries	-0.0	-0.0	-0.0
Tax-exempt income	0.7	1.3	1.1
Non-deductible expenses	-0.3	-0.1	-0.0
Income tax for previous periods	0.0	0.0	-0.1
Unrecognised deferred tax on loss for the period	-	-	-0.0
Utilisation of previously unrecognised tax losses	-	-	0.1
Other items	-0.0	-0.0	-0.6
Total	-7.4	-6.6	-8.3

Deferred taxes in the statement of financial position

MEUR	2024	2023	2022
Deferred tax liabilities	21.7	20.6	20.7
Deferred taxes, net	21.7	20.6	20.7

Deferred tax assets and liabilities

MEUR	2023	Recognised in income statement	Exchange rate differences	Business acquisitions	2024
Deferred tax assets					
Provisions	0.8	0.1			0.9
Unused depreciation	1.5	-0.0			1.5
Lease liabilities	12.4	-1.1			11.4
Other temporary differences	3.2	-0.4			2.8
Netting of deferred taxes	-18.0				-16.5
Total	0.0	-1.4	-	-	0.0
Deferred tax liabilities					
Acquisitions	20.2	0.3	0.0	-0.2	20.3
Appropriations	6.2	0.5			6.7
Right-of-use assets	12.1	-1.2			11.0
Other temporary differences	0.0	0.2			0.2
Netting of deferred taxes	-18.0				-16.5
Total	20.6	-0.2	0.0	-0.2	21.7

MEUR	2022	Recognised in income statement	Exchange rate differences	Business acquisitions	2023
Deferred tax assets					
Provisions	0.7	0.1			0.8
Unused depreciation	1.3	0.3			1.5
Lease liabilities	11.1	1.3			12.4
Other temporary differences	0.2	3.0			3.2
Netting of deferred taxes	-13.3				-18.0
Total	0.0	4.6	-	-	0.0
Deferred tax liabilities					
Acquisitions	17.6	2.6	0.0		20.2
Appropriations	5.4	0.8			6.2
Right-of-use assets	10.9	1.2			12.1
Other temporary differences	0.1	-0.0			0.0
Netting of deferred taxes	-13.3				-18.0
Total	20.7	4.6	0.0	-	20.6

MEUR	2021	Recognised in income statement	Exchange rate differences	Business acquisitions	2022
Deferred tax assets					
Provisions	1.5	-0.8			0.7
Unused depreciation	1.2	0.1			1.3
Lease liabilities	10.9	0.3			11.1
Other temporary differences	0.1	0.1			0.2
Netting of deferred taxes	-13.6				-13.3
Total	0.0	-0.3	-	-	0.0
Deferred tax liabilities					
Acquisitions	16.6	1.9	0.0	-0.9	17.6
Appropriations	4.4	1.0			5.4
Lease liabilities	10.7	0.3			10.9
Other temporary differences	-	0.1		0.0	0.1
Netting of deferred taxes	-13.6				-13.3
Total	18.1	3.2	0.0	-0.9	20.7

On 31 December 2022, the New Lassila & Tikanoja companies had tax losses totalling EUR 0.4 million, on which no deferred tax asset has been recognised as the realisation of the tax benefit is not considered probable. At the end of 2023 and 2024, the New Lassila & Tikanoja companies did not have such tax losses.

Deferred taxes are recognised in the statement of financial position as tax assets and tax liabilities. Deferred tax assets and deferred tax liabilities are set off when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The New Lassila & Tikanoja has not recognised any tax expense in 2024 related to the top-up tax under the OECD Pillar Two model rules. The New Lassila & Tikanoja has applied a temporary mandatory relief from deferred tax accounting for the potential impacts of the top-up tax and would account for it as a current tax if it would incur. According to the company's assessment, the New Lassila & Tikanoja's exposure to the top-up tax is limited, as its operations are located in Finland and Sweden, both of which have a corporate tax rate exceeding 15 per cent.

2. Operational assets and liabilities

2.1 Trade receivables and other receivables

Accounting policy

Trade receivables are measured at historical cost less expected credit losses. The receivables are non-interest bearing and the New Lassila & Tikanoja's general payment term for customers is 14 days. Trade receivables include also uninvoiced sales, when the New Lassila & Tikanoja has satisfied the performance obligations and has an unconditional right to the consideration. Trade receivables are classified as financial assets, that are explained in more detail in notes 4.1 Financial assets and liabilities and 4.2 Financial risk management.

MEUR	2024	2023	2022
Trade receivables	49.4	54.6	58.4
Contract assets	7.2	8.7	5.8
Cash pool receivables from related parties	0.1	0.3	20.5
Accrued income	1.4	1.4	1.6
Prepayments	0.1	0.1	0.1
Income tax receivables	0.0	-	6.5
Other receivables	0.2	0.0	0.1
Total	58.5	65.1	93.1

[1] Cash-pool receivables from related parties consist of cash pool receivables of the New Lassila & Tikanoja legal companies from the Demerging Company at the balance sheet dates of the carve-out financial statements.

Accounting policy

A simplified impairment model allowed by IFRS 9 standard is applied to the recognition of expected credit losses. Expected credit losses are calculated by dividing trade receivables into categories based on maturity and by multiplying said categories with the credit loss percentages, which are based on historical data on credit losses realised from trade receivables and the outlook for the short-term future. This impairment model covers the company's trade receivables and contract assets.

An allowance of impairment is recognised based on historical data and the outlook for the short-term future. The credit loss percentages applied in the carve-out financial statements are presented in the table below. Trade receivables due over 360 days are written down completely. If the customer has become insolvent, such as in the case of bankruptcy or debt restructuring, the trade receivable is written down as a final credit loss when a payment can no longer be expected with reasonable certainty.

Credit loss percentages

%	2024	2023	2022
Trade receivables and contract assets not past due	0.1	0.1	0.1
Past due 1-90 days	0.7	0.8	0.7
Past due 91-365 days	17.7-18.1	11.6-23.1	8.6-25.0
Past due over 365 days	100.0	100.0	100.0

Expected credit losses from accounts receivable and contract assets

31 Dec 2024, MEUR	Gross value	of which the allowance for impairment	Net value on balance sheet
Trade receivables and contract assets not past due	52.8	0.0	52.7
Past due 1-90 days	3.7	0.0	3.7
Past due 91-365 days	0.2	0.0	0.2
Past due over 365 days	0.2	0.2	0.0
Total	56.9	0.3	56.6

31 Dec 2023, MEUR	Gross value	of which the allowance for impairment	Net value on balance sheet
Trade receivables and contract assets not past due	57.4	0.0	57.4
Past due 1-90 days	5.9	0.0	5.8
Past due 91-365 days	0.1	0.0	0.1
Past due over 365 days	0.2	0.2	0.0
Total	63.6	0.3	63.3

31 Dec 2022, MEUR	Gross value	of which the allowance for impairment	Net value on balance sheet
Trade receivables and contract assets not past due	58.4	0.0	58.3
Past due 1-90 days	5.5	0.0	5.4
Past due 91-365 days	0.5	0.1	0.4
Past due over 365 days	0.1	0.1	0.0
Total	64.5	0.2	64.2

Change in allowance for impairment

MEUR	2024	2023	2022
Allowance for impairment, 1 January	0.3	0.2	0.1
Change in the income statement	-0.0	0.1	0.1
Allowance for impairment, 31 December	0.3	0.3	0.2

Impairment losses and changes in allowance for impairment are presented in note 1.4 Materials and services and other operating income and expenses.

Financial assets are not collateralised. No impairment was recognised on other financial assets.

2.2 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The inventories of Environmental Products of Waste Management business are measured using the weighted average cost method. The value of other inventories is determined using the FIFO method.

At the recycling plants, recyclable materials are processesed into secondary raw materials for sale. The cost of the inventories of these materials comprises raw materials, direct labour costs, other direct costs of manufacturing and a proportion of variable and fixed production overheads based on normal operating capacity.

MEUR	2024	2023	2022
Raw materials and consumables	4.2	2.9	2.9
Finished goods	1.2	1.0	1.8
Other inventories	3.8	3.8	2.9
Total	9.2	7.7	7.7

The carrying value of the inventories was written down to the net realisable value, and the expense of EUR 0.0 million in 2022, EUR 0.0 million in 2023 and EUR 0.0 million in 2024 is included in Materials and services in the income statement.

2.3 Trade and other current payables

Accounting policy

Trade and other current non-interest-bearing liabilities are recognised in the balance sheet at historical cost. The impact of discounting is not essential considering the maturity of the payables. Trade payables are classified as financial liabilities that are presented in notes 4.1 Financial assets and liabilities and 4.2 Financial risk management.

MEUR	2024	2023	2022
Advances received	9.5	10.8	8.8
Trade payables	32.8	40.8	35.8
Income tax liabilities	0.1	0.4	0.2
Other liabilities	11.7	9.4	12.3
Accrued expenses and deferred income	35.4	35.4	34.9
Total	89.5	96.9	92.0
Accrued expenses and deferred income			
Liabilities related to personnel expenses[1]	32.2	31.9	31.1
Other accrued expenses	3.2	3.5	3.8
Total	35.4	35.4	34.9

[1] Liabilities related to personnel expenses include ordinary accruals for salaries, pensions and other statutory personnel expenses.

The advances received include contract liabilities as well as advances received for rental payments. The fair values of trade and other current payables equal their book values.

2.4 Other non-current liabilities

MEUR	2024	2023	2022
Advances received	6.7	7.2	7.6
Deferred consideration	6.7	5.9	5.7
Other liabilities	0.0	0.0	0.0
Total	13.4	13.2	13.3

Deferred consideration is related to the acquisition of 70 per cent share of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. The acquisition took place on 1 February 2022. SVB is consolidated with 100 per cent share in the New Lassila & Tikanoja and, in connection with the arrangement, the New Lassila & Tikanoja has recognised in financial liabilities an estimate of the deferred consideration for the acquisition. The deferred consideration relates to the acquisition of non-controlling interest and is measured at fair value, which is reflected in the present value of the estimated liability. It will mature on 1 February 2026 at the earliest. A reconciliation of the changes in the deferred consideration is presented in note 4.1 Financial assets and liabilities.

Critical judgements by Management

The preparation of calculations used in valuation of the deferred consideration requires the use of management judgement. The EBITDA forecast used in the calculations is based on actual development and management's view on the growth outlook for the business. Changes in the EBITDA forecast affect the value of the deferred consideration with a multiplier of 6.1. Though the assumptions used are appropriate according to the management's judgement, the EBITDA forecasts used in the calculation may differ materially from the actual figures realised in the future.

2.5 Provisions

Accounting policy

A provision is recognised when the New Lassila & Tikanoja has a legal or factual obligation towards a third party resulting from an earlier event, fulfilment of the payment obligation is probable, and its amount can be reliably estimated. Provisions are measured at the current value of the expenditure required to settle the obligation. Increase in provisions due to the passage of time is recognised as interest expense. Changes in provisions are recognised in the income statement in the same item in which the provision is originally recognised.

Environmental provisions are recognised when the Group has an existing obligation that is likely to result in a payment obligation, the amount of which can be reliably estimated. Provisions related to environmental restoration are recognised when a new waste treatment area is taken into use. The estimated expenses on which the provision is based are capitalised under buildings and structures in the property, plant and equipment in the balance sheet and depreciated over the useful life of the asset. Changes in the estimates related to the amount of the provision are recognised as adjustments to the capitalised costs.

Provisions are discounted to their present value using a risk-free interest rate that excludes default risk. The determination of the risk-free rate takes into account both current and future economic conditions as well as the expected timing of the expenses. Changes in the provision due to discounting are recognised under financial items in the income statement.

Critical judgements by Management

Recognition and measurement of provisions require management to assess the best estimate of the expenditure needed to settle the present obligation at the end of the reporting period. The actual amount and timing of the expenditure might differ from the estimates made. The carrying amounts of provisions are reviewed regularly and adjusted when needed to consider changes in cost estimates, regulations, applied technologies and conditions.

Environmental provisions are particularly characterised by the fact that the expenses may be incurred far into the future or over a long period of time, which increases the uncertainty of the estimates. In the balance sheet, the largest environmental provisions in euro terms are those related to the covering costs of landfill sites and contaminated land treatment areas. Significant assumptions in determining these provisions include, among others, the estimated future costs of covering, closing, and aftercare of the landfill. Estimates are prepared by internal and external experts and are reviewed at least once a year. The estimates take into account, among other things, the regulatory requirements applicable to each site.

Estimated obligations are valued using present value techniques that take into account assumptions and factors that market participants would use in determining the estimates. These include, for example, inflation, cost levels, uncertainties related to the timing of work, information received from third parties, actual and reported prices of similar work, and expert assessments. Inflation assumptions are based on management's assessment of current and future economic conditions as well as the timing of the expenses. Environmental provisions are expected to be realised over a period of 3 to 50 years. The realisation period is reviewed annually and whenever there is an indication that changes may occur.

MEUR	2024	2023	2022
Non-current provisions	6.3	7.2	7.4
Current provisions	0.6	0.1	-
Total	6.9	7.2	7.4

Obligations covered by the environmental provisions

The New Lassila & Tikanoja has leased site that it uses as landfill from the city of Kotka. In Varkaus the New Lassila & Tikanoja uses a site for intermediate storing, processing and final disposal of contaminated soil. At the expiry of the leases or at the discontinuation of operations, the New Lassila & Tikanoja is responsible for site restoration comprising landscaping and post-closure environmental monitoring called for in the terms and conditions of environmental permits.

The Munaistenmetsä landfill site in Uusikaupunki serves as a final disposal area for municipal waste, contaminated soil and industrial by-products. The new processing site for hazardous waste, in accordance with the new environmental permit, was completed in December 2024. The area receives its operational permit during early 2025.

The material recycling centre in the landfill area in Oulu receives, processes and recovers various types of waste and side streams, such as industrial waste, contaminated soil, construction and demolition waste as well as municipal waste.

In December 2021, the New Lassila & Tikanoja acquired a new landfill in Pori. At first, the landfill area received various types of waste from the seller, including gypsum, construction and demolition waste as well as contaminated soil and other smaller items. The update of the environmental permit was received in September 2022, after which the reception was expanded to cover other vendors of similar waste fractions. The application prepared for the new environmental permit will be sent for processsing to the regional state administrative agency in early 2025. The application seeks extensive reception and handling operations for both non-hazardous and hazardous waste.

Other provisions

Other provisions consist mainly of provisions for restructuring as well as restoration provisions for leased premises.

MEUR	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2024	7.2	0.1	7.2
Additions	0.6	0.6	1.2
Used during the year	-0.4	-0.1	-0.5
Effect of discounting	-1.0	-	-1.0
Provisions at 31 Dec 2024	6.3	0.6	6.9

MEUR	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2023	7.4	-	7.4
Additions	0.2	0.1	0.3
Used during the year	-0.3	-	-0.3
Reversals	-0.2	-	-0.2
Effect of discounting	0.1	-	0.1
Provisions at 31 Dec 2023	7.2	0.1	7.2

MEUR	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2022	8.1	0.1	8.2
Additions	0.1	-	0.1
Used during the year	-0.5	-0.1	-0.6
Reversals	-0.4	0.0	-0.4
Effect of discounting	0.1	-	0.1
Provisions at 31 Dec 2022	7.4	-	7.4

3. Intangible and tangible assets and other non-current assets

3.1 Goodwill and other intangible assets

Accounting policy

Goodwill represents the portion of the acquisition cost by which the aggregate of the consideration given, the share of non-controlling owners in the acquired entity and the previously owned share exceed the fair value of the acquired net assets at the time of acquisition. Goodwill is not amortised, but is tested annually for impairment during the last quarter of the year. Goodwill is presented in the statement of financial position at historical cost less impairment losses, if any.

Intangible assets acquired in a business combination are measured at fair value. The useful lives of intangible assets are estimated to be either finite or indefinite. In the New Lassila & Tikanoja, the intangible assets recognised in business combinations include mainly customer relationships. The amortisation period for customer relationships is on average 10 years.

Other intangible assets are recognised at historical cost less accumulated amortisation and impairment losses. Other intangible assets are amortised using the straight-line method over their estimated useful economic life. The costs of software projects are recognised in other intangible assets starting from the time when the projects move out of the research phase into the development phase and the outcome of a project is an identifiable intangible asset. Such an intangible asset must provide the New Lassila & Tikanoja with future economic benefit that exceeds the costs of its development. The cost comprises all directly attributable costs necessary for preparing the asset to be capable of operating in the manner intended by the management. The largest cost items are consultancy fees paid to third parties.

The amortisation period for computer software and software licences is five to ten years.

Goodwill impairment testing is described in note 3.2 Goodwill impairment testing and amortisation and impairment of other intangible assets is described in note 1.7. Depreciation, amortisation and impairments.

2024, MEUR	Goodwill	Items acquired through business combinations	Intangible rights	Other intangible assets	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan	118.2	38.3	1.0	13.5	13.9	184.9
Additions	-	-	0.0	0.1	9.1	9.3
Business acquisitions	0.8	0.7	-	-	-	1.5
Disposals	-	-	-0.0	-0.1	-	-0.1
Transfers between items	-	-	-	2.3	-2.3	-
Exchange differences	-0.3	-0.1	-0.0	-	-	-0.3
Acquisition cost, 31 Dec	118.8	38.9	1.0	15.8	20.7	195.2
Accumulated amortisation, 1 Jan	-	-27.8	-0.2	-10.0		-38.1
Accumulated amortisation on disposals and transfers		-	0.0	0.1	-	0.1
Amortisation charge		-1.8	-0.1	-1.5	-	-3.4
Exchange differences		0.0	0.0	-	-	0.0
Accumulated amortisation, 31 Dec	-	-29.6	-0.3	-11.4		-41.3
Carrying amount at 31 Dec	118.8	9.3	0.8	4.4	20.7	153.9

2023, MEUR	Goodwill	Items acquired through business combinations	Intangible rights	Other intangible assets	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan	118.2	58.1	0.8	12.0	7.8	196.9
Additions	-	-	0.2	0.1	9.5	9.7
Disposals	-	-19.7	-0.0	-0.0	-	-19.8
Impairments	-	-	-	-	-1.9	-1.9
Transfers between items	-	-	-	1.4	-1.4	-
Exchange differences	0.0	0.0	0.0	-	-	0.0
Acquisition cost, 31 Dec	118.2	38.3	1.0	13.5	13.9	184.9
Accumulated amortisation, 1 Jan		-45.6	-0.1	-8.6		-54.4
Accumulated amortisation on disposals and transfers		19.7	0.0	0.0		19.8
Amortisation charge		-1.9	-0.1	-1.4		-3.4
Exchange differences		-0.0	-0.0	-		-0.0
Accumulated amortisation, 31 Dec	-	-27.8	-0.2	-10.0		-38.1
Carrying amount at 31 Dec	118.2	10.5	0.8	3.4	13.9	146.9

2022, MEUR	Goodwill	Items acquired through business combinations	Intangible rights	Other intangible assets	Prepayments and construction in progress	Total
Acquisition cost, 1 Jan	106.7	52.6	0.6	11.2	3.1	174.2
Additions	-0.0	-	0.3	0.1	5.6	5.9
Business acquisitions	11.5	5.5	-	0.0	-	17.0
Disposals	-	-	-0.1	-0.2	-	-0.2
Transfers between items	-	-	-	0.9	-0.9	-0.0
Acquisition cost, 31 Dec	118.2	58.1	0.8	12.0	7.8	196.9
Accumulated amortisation, 1 Jan		-44.2	-0.2	-7.3		-51.6
Accumulated amortisation on disposals and transfers		-	0.0	0.1		0.1
Amortisation charge		-1.5	-0.0	-1.5		-3.0
Exchange differences		0.0	0.0	-0.0		0.0
Accumulated amortisation, 31 Dec	-	-45.6	-0.1	-8.6		-54.4
Carrying amount at 31 Dec	118.2	12.4	0.7	3.4	7.8	142.5

Other intangible assets consist primarily of software and software licences.

Contractual commitments related to intangible assets totalled EUR 0.1 million in 2024, EUR 0.0 million in 2023 and EUR 1.0 million in 2022.

3.2 Goodwill impairment testing

Accounting policy

The goodwill impairment testing is conducted at least annually during the last quarter of the year or more frequently if there is any indication that goodwill may be impaired. Impairment testing is conducted according to the business structure in force at the time of the impairment testing.

In impairment testing, recoverable amounts are estimated on the basis of an asset's value-in-use. Future cash flows are based on annual estimates of income statements and maintenance investments made by the management in connection with the strategy process for a four-year period. The management bases its estimates on actual development and views on the growth outlook for the industry (general market development and unit profitability, pricing, municipalisation decisions, personnel costs and raw material costs). Approved investment decisions are taken into account in the growth estimates.

Cash flows extending beyond the four-year forecast period are calculated using the so-called terminal value method. The growth rates used in the calculations are based on the management's estimates of long-term growth and development of profitability.

Carve-out principle

As these carve-out financial statements have been prepared on a carve-out basis from historical Demerging Group's consolidated financial statements, the goodwill impairment testing results presented below are based on the historical goodwill impairment testing performed by the Demerging Group on the Circular Economy CGU's.

Critical judgements by Management

The preparation of value-in-use based calculations used in goodwill impairment testing requires the use of management judgement. The future cash flows are based on forecasts for the strategy period approved by the Board of Directors of the Demerging Company. These forecasts are based on actual development and management's view on the growth outlook for the industry. The terminal growth rate is based on the management's view on the long-term growth outlook for the business. The discount rates used reflect the best estimate of the weighted average cost of capital. Though the assumptions used are appropriate according to the management's judgement, the estimated cash flows may fundamentally differ from those realised in the future.

Goodwill allocation

The carrying amounts of goodwill are allocated to cash-generating units in accordance with the table below:

MEUR	2024	2023	2022
Environmental Services	87.6	87.6	87.6
Industrial Services	31.2	30.6	30.6
Total	118.8	118.2	118.2

Goodwill Impairment testing in 2022-2024

The goodwill impairment testing has been prepared based on value-in-use calculations in which future cash flows are discounted to net present value. The key assumptions used in assessing the recoverable amount are the sales growth in the estimate period, EBITDA % in the estimate period and the terminal growth rate. The terminal growth rate used in the value-in-use calculations of cash-generating units is 2.0 per cent in years 2023 and 2024 and 1.9 per cent in 2022. These terminal growth rates correspond to the mid-term inflation goal of the European Central Bank at the testing dates. The same terminal growth rate is used in both cash-generating units based on similar business environment.

Key assumptions used in the calculations

%	2024	2023	2022
Environmental Services			
Sales growth in four years estimate period	1.7	1.3	-1.5
EBITDA% in four years estimate period on averge	19.1	19.8	19.2
Terminal growth rate	2.0	2.0	1.9
Industrial Services			
Sales growth in four years estimate period	5.7	3.7	3.0
EBITDA% in four years estimate period on averge	19.4	19.6	20.0
Terminal growth rate	2.0	2.0	1.9

The discount rates used in calculations are based on the Demerging Group's weighted average cost of capital (WACC). Factors in WACC are risk-free interest rate, market risk premium, company-specific beta, cost of capital as well as the ratio between equity and liabilities. A discount rate has been defined for each cash generating unit.

Discount rates used in the calculations (pre tax)

%	2024	2023	2022
Environmental Services	8.9	9.4	8.5
Industrial Services	8.9	9.4	8.5

The value in use of the cash generating units of the New Lassila & Tikanoja exceeded the carrying amounts of the tested assets at each impairment testing date. Thus, no impairments on goodwill allocated to them were recognised in 2022-2024.

Sensitivity analyses of impairment testing

A sensitivity analysis of each cash-generating unit was performed, during which the key calculation assumptions were tested. The key assumptions used in the testing were discount rate and EBITDA per cent used in calculation of the terminal value. The EBITDA per cent was based on the historical development of the cash-generating unit. In the sensitivity analysis, a key assumption was tested by changing the threshold values to a value at which the value-in-use would equal the carrying amount. Based on the sensitivity analysis, no reasonably possible change in key assumptions for either cash-generating unit would result in the carrying amount of the cash-generating unit exceeding its value in use.

3.3 Property, plant and equipment

Accounting policy
Property, plant and equipment are recognised at historical cost less accumulated depreciation and impairment losses. The historical cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs immediately arising from the acquisition, construction or manufacture of tangible assets that meet the conditions are capitalised as part of the asset's acquisition cost. Possible restoration costs are also included in the acquisition cost.

In business combinations, property, plant and equipment are measured at fair value on the acquisition date. In the statement of financial position, property, plant and equipment are shown less accumulated depreciation and impairment, if any.

Property, plant and equipment are depreciated using the straight-line method over their expected useful lives, excluding new landfills. For completed landfills the New Lassila & Tikanoja applies the units of production method, which involves depreciation on the basis of the volume of waste received. The expected useful lives are reviewed on each balance sheet date, and, if expectations differ materially from previous estimates, the depreciation periods are adjusted to reflect the changes in expectations of future economic benefits.

Depreciation in the financial statements is based on the following expected useful lives:

Buildings and structures	5–30 years
Vehicles	6–15 years
Machinery and equipment	4–15 years

Land is not depreciated.

When an asset included in property, plant and equipment consists of several components with different estimated useful lives, each component is treated as a separate asset. Ordinary repair and maintenance costs are recognised in the income statement during the period in which they are incurred. Costs of significant modification and improvement projects are capitalised if it is probable that the projects will result in future economic benefits to the New Lassila & Tikanoja.

Depreciation and impairment of property, plant and equipment is described in note 1.7 Depreciation, amortisation and impairments.

2024, MEUR	Land	Buildings	Machinery and equipment	Other tangible assets	Pre-payments and construction in progress	Total
Acquisition cost, 1 Jan	7.6	125.2	321.4	0.2	16.0	470.3
Additions	0.0	0.7	9.5	0.0	18.5	28.7
Business acquisitions	-	-	0.3	0.0	-	0.4
Disposals	-	-3.6	-16.0	-	-0.1	-19.7
Transfers between items	-	9.5	16.9	-	-26.4	-
Exchange differences	-	-0.0	-0.2	-0.0	-0.0	-0.2
Acquisition cost, 31 Dec	7.6	131.7	331.9	0.2	8.0	479.5
Accumulated depreciation, 1 Jan		-94.0	-223.2	-0.1		-317.2
Accumulated depreciation on disposals and transfers		2.6	15.8	-		18.4
Depreciation for the period		-5.1	-20.3	-0.0		-25.5
Exchange differences		0.0	0.0	0.0		0.0
Accumulated depreciation, 31 Dec	-	-96.5	-227.7	-0.1	-	-324.3
Carrying amount at 31 Dec	7.6	35.3	104.2	0.1	8.0	155.3

2023, MEUR	Land	Buildings	Machinery and equipment	Other tangible assets	Pre-payments and construction in progress	Total
Acquisition cost, 1 Jan	7.6	120.6	310.4	0.2	8.9	447.7
Additions	0.0	0.7	14.0	0.0	22.4	37.1
Disposals	-	-0.1	-14.3	-	-0.0	-14.4
Transfers between items	-	4.0	11.3	-	-15.3	-
Exchange differences	-	0.0	0.0	0.0	0.0	0.0
Acquisition cost, 31 Dec	7.6	125.2	321.4	0.2	16.0	470.3
Accumulated depreciation, 1 Jan		-88.7	-218.6	-0.0		-307.2
Accumulated depreciation on disposals and transfers		0.1	14.2	-		14.3
Depreciation for the period		-5.4	-18.8	-0.0		-24.3
Exchange differences		-0.0	-0.0	-0.0		-0.0
Accumulated depreciation, 31 Dec	-	-94.0	-223.2	-0.1	-	-317.2
Carrying amount at 31 Dec	7.6	31.2	98.2	0.2	16.0	153.1

2022, MEUR	Land	Buildings	Machinery and equipment	Other tangible assets	Pre-payments and construction in progress	Total
Acquisition cost, 1 Jan	6.8	118.0	297.2	0.0	10.0	432.0
Additions	0.8	0.6	11.6	0.1	12.3	25.3
Business acquisitions	-	0.2	4.3	0.1	-	4.6
Disposals	-0.1	-1.7	-12.4	-0.0	-0.1	-14.3
Transfers between items	-	3.6	9.8	-	-13.4	0.0
Acquisition cost, 31 Dec	7.6	120.6	310.4	0.2	8.9	447.7
Accumulated depreciation, 1 Jan		-84.2	-213.2	-		-297.4
Accumulated depreciation on disposals and transfers		0.6	11.7	0.0		12.3
Depreciation for the period		-5.0	-17.1	-0.0		-22.1
Exchange differences		0.0	0.0	0.0		0.0
Accumulated depreciation, 31 Dec	-	-88.7	-218.6	-0.0	-	-307.2
Carrying amount at 31 Dec	7.6	32.0	91.8	0.2	8.9	140.4

The carrying amount of machinery and equipment includes compactors and balers sold through an external financing company. Due to the repurchase obligation the leased equipment is treated as tangible assets. The carrying amount of the equipment was EUR 12.0 million at the end of 2024, EUR 11.9 million at the end of 2023 and EUR 12.6 million at the end of 2022.

Contractual commitments related to property, plant and equipment totalled EUR 8.6 million in 2024, EUR 12.5 million in 2023 and EUR 18.5 million in 2022.

Climate Transition Plan

The Demerging Group has a transition plan in place to reduce emissions. The primary focus of the measures concerning the Group's own emissions is on reducing emissions generated during transportation. Key actions include transitioning to low-emission vehicles and investing in the use of renewable fuels. The transition will be implemented in connection with investments in fleet, and investments in low-emission vehicles are not expected to have a material impact on the financial statements. Existing vehicles will be used until the end of their useful life, and the transition plan does not require changes to depreciation periods. So far, the transition plan does not significantly affect investment levels for heavy-duty vehicles. For other vehicles, such as vans, the New Lassila & Tikanoja has been investing in electric vehicles for several years.

3.4 Right-of-use assets and lease liabilities

Accounting policy

A right-of-use asset is recognised from a lease contract at the commencement date of the lease, which is the date that the underlying asset is made available for use. Right-of-use assets are measured at cost less any cumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of lease liability recognised, any initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Possible restoration obligations are also considered in the cost of the right-of-use asset. At each balance sheet date, the carrying amounts of right-of-use assets are assessed for any impairment, as described in note 1.7 Depreciation, amortisation and impairments.

The lessee recognises the lease liability at the inception of the contract by discounting the future minimum lease payments to the present value. Since the interest rate implicit in the lease is not readily available in most of the New Lassila & Tikanoja's lease contracts, the future minimum lease payments are discounted using the incremental borrowing rate. According to the standard, the incremental borrowing rate is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic situation. The New Lassila & Tikanoja has determined the incremental borrowing rate taking into consideration the lease term and the financial environment of the lease.

The New Lassila & Tikanoja's lease liability covers the lease liabilities of commodities leased through a financial company as well as the lease liabilities of other lease agreements excluding the short-term leases or leases for low-value assets, for which the right-of-use asset and lease liability is not recognised.

The New Lassila & Tikanoja's lease agreements do not include significant variable rents or residual value guarantees.

Critical judgements by Management

The New Lassila & Tikanoja has lease contracts relating mainly to real estate and land areas which are valid until further notice. For such contracts, the management evaluates the lease term on a lease-by-lease basis. In evaluating the lease term the New Lassila & Tikanoja considers e.g. any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the New Lassila & Tikanoja’s operations taking into account, for example, whether the underlying asset is a specialised asset, the location of the underlying asset and the availability of suitable alternatives. The lease term is reassessed in future periods to ensure that the lease term reflects the current circumstances.

2024, MEUR	Land	Buildings and constructions	Machinery and equipment	Total
Acquisition cost, 1 Jan	12.5	29.7	62.9	105.1
Additions	0.3	11.0	1.1	12.4
Business acquisitions	-	0.1	0.0	0.1
Disposals	-1.8	-4.0	-13.5	-19.3
Exchange differences	-	-0.1	-0.0	-0.1
Acquisition cost, 31 Dec	11.0	36.8	50.5	98.3
Accumulated depreciation, 1 Jan	-2.0	-11.7	-30.6	-44.4
Accumulated depreciation on disposals and transfers	0.4	3.1	11.9	15.4
Depreciation for the period	-1.0	-6.0	-7.5	-14.5
Exchange differences	-	0.0	0.0	0.0
Accumulated depreciation, 31 Dec	-2.6	-14.7	-26.2	-43.5
Carrying amount at 31 Dec	8.4	22.1	24.3	54.8

2023, MEUR	Land	Buildings and constructions	Machinery and equipment	Total
Acquisition cost, 1 Jan	13.8	23.5	54.2	91.5
Additions	1.2	9.7	14.7	25.5
Disposals	-2.4	-3.5	-6.0	-12.0
Exchange differences	-	0.0	0.0	0.0
Acquisition cost, 31 Dec	12.5	29.7	62.9	105.1
Accumulated depreciation, 1 Jan	-1.2	-8.1	-27.6	-36.9
Accumulated depreciation on disposals and transfers	0.2	1.9	5.2	7.3
Depreciation for the period	-1.0	-5.5	-8.3	-14.7
Exchange differences	-	-0.0	-0.0	-0.0
Accumulated depreciation, 31 Dec	-2.0	-11.7	-30.6	-44.4
Carrying amount at 31 Dec	10.5	17.9	32.3	60.7

2022, MEUR	Land	Buildings and constructions	Machinery and equipment	Total
Acquisition cost, 1 Jan	10.4	18.9	49.1	78.4
Additions	3.3	3.9	5.8	13.0
Business acquisitions	-	1.2	0.1	1.3
Disposals	0.1	-0.6	-0.8	-1.3
Acquisition cost, 31 Dec	13.8	23.5	54.2	91.5
Accumulated depreciation, 1 Jan	-0.3	-3.2	-21.5	-25.0
Accumulated depreciation on disposals and transfers	-	0.2	0.7	1.0
Depreciation for the period	-1.0	-5.2	-6.8	-12.9
Exchange differences	-	0.0	0.0	0.0
Accumulated depreciation, 31 Dec	-1.2	-8.1	-27.6	-36.9
Carrying amount at 31 Dec	12.6	15.4	26.6	54.5

On the balance sheet date, no new lease agreements are known which will become valid in the coming financial years that would have a significant impact on the amount of debt resulting from a right-of-use asset or a lease agreement.

Lease liabilities and their maturity have been presented in notes 4.1 Financial assets and liabilities and 4.2 Financial risk management.

For more information about the expenses related to leases, please refer to note 1.6 Expenses related to leases.

3.5 Other non-current assets

Accounting policy

The New Lassila & Tikanoja's other non-current assets consist of shares in associated companies and joint ventures as well as other shares and holdings. The New Lassila & Tikanoja's interests in associated companies and joint ventures are accounted for using the equity method of accounting. The New Lassila & Tikanoja's share of its associated companies' or joint ventures' post-acquisition profits or losses after tax are recognised in the income statement and as adjustment to investment in associated companies or joint ventures in the balance sheet accordingly. When the New Lassila & Tikanoja's share of losses in an associated company or a joint venture equals or exceeds its interest in the associated company or joint venture, the New Lassila & Tikanoja does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company or joint venture. Other shares and holdings include shares in a few smaller companies, and they are measured at fair value through profit or loss. Other receivables mainly include deposits related to pension obligations in Sweden as well as non-current advance payments.

MEUR	Shares in associated companies and joint ventures	Other shares and holdings	Other receivables
Acquisition cost, 1 Jan 2024	17.6	0.1	0.9
Disposals	-0.0	-	-0.4
Share of the result of associated companies and joint ventures	3.2	-	-
Received dividends	-1.8	-	-
Exchange differences	-	-	-0.0
Acquisition cost, 31 Dec 2024	18.9	0.1	0.4

MEUR	Shares in associated companies and joint ventures	Other shares and holdings	Other receivables
Acquisition cost, 1 Jan 2023	14.0	0.1	1.0
Disposals	-	-	-0.1
Share of the result of associated companies and joint ventures	3.6	-	-
Exchange differences	-	-	0.0
Acquisition cost, 31 Dec 2023	17.6	0.1	0.9

MEUR	Shares in associated companies and joint ventures	Other shares and holdings	Other receivables
Acquisition cost, 1 Jan 2022	0.0	0.1	1.0
Additions	13.3	-	0.2
Disposals	-	-0.0	-0.2
Share of the result of associated companies and joint ventures	0.7	-	-
Acquisition cost, 31 Dec 2022	14.0	0.1	1.0

On 1 July 2024, New Lassila & Tikanoja company L&T Ympäristöpalvelut Oy acquired the rest 60 per cent of the shares of Suomen Keräystuote Oy. Previously Suomen Keräystuote Oy was an associated company, of which the New Lassila & Tikanoja's ownership was 40 per cent. The transaction does not have a significant impact on the New Lassila & Tikanoja's figures.

Information about the substantial joint venture

Name	Domicile	Direct ownership (%)		
		2024	2023	2022
Laania Oy	Helsinki	55.0	55.0	55.0

Financial information about the substantial joint venture

MEUR	2024	2023	2022
Intangible and tangible assets	3.5	3.3	3.3
Right-of-use assets	2.6	2.4	2.4
Other non-current receivables	0.0	0.0	0.0
Inventories	52.8	40.7	51.4
Trade and other receivables	28.8	40.2	27.3
Assets total	87.8	86.7	84.4
Non-current interest bearing liabilities	22.7	22.4	32.5
Trade payables	13.4	14.4	11.6
Other current payables	17.3	17.9	15.1
Liabilities total	53.4	54.8	59.1
Net sales	151.3	153.4	89.7
Depreciation and amortisation	-1.5	-1.4	-0.8
Financial income and expenses	-1.0	-1.2	-0.5
Income taxes	-1.4	-1.6	-0.3
Result for the period	5.8	6.5	1.3
Average number of personnel during the financial year	123	113	90
The reconciliation of the joint venture's financial information to the carrying amount recognised by the New Lassila & Tikanoja:			
The New Lassila & Tikanoja's ownership, %	55.0	55.0	55.0
The New Lassila & Tikanoja's share of net assets	18.9	17.6	14.0
The value of the joint venture in the consolidated statement of financial position	18.9	17.6	14.0

For more information on the joint venture please refer to note 5.4 Business disposals and assets and liabilites classified as held for sale.

4. Financial risks and capital structure

4.1 Financial assets and liabilities

Accounting policy

The New Lassila & Tikanoja's financial assets and liabilities include cash and cash equivalents, trade and other receivables, trade and other payables, bank loans, cash-pool receivables and liabilities from related parties as well as lease liabilities. The New Lassila & Tikanoja's financial assets and liabilities are classified into following measurement categories:

Fair value through profit and loss
- Deferred considerations relating to acquisitions

Amortised cost
- Cash and cash equivalents
- Trade and other receivables
- Interest-bearing liabilities, such as bank loans, cash-pool receivables and liabilities from related parties, lease liabilities
- Trade and other payables

This classification is performed when the asset or liability is acquired. The classification of financial assets into different measurement categories depends on the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset acquired. The classification of financial liabilities into different measurement categories depends on the purpose for which the financial liabilities were initially acquired.

A financial asset is derecognised when the rights to the cash flows from the asset expire, or when all material risks and rewards of the ownership of the asset have been transferred outside the New Lassila & Tikanoja. A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets measured at amortised cost

Cash and cash equivalents consist of cash on hand, bank deposits redeemable on demand and other short-term liquid investments. Their maturity is no longer than three months from the acquisition date. They are recognised as of the settlement date and measured at historical cost. Foreign currency transactions are translated into euros using the exchange rates prevailing on the balance sheet date. The used credit limits are included in current interest-bearing liabilities. At the end of years 2022, 2023 and 2024, the credit limits were not in use.

Trade and other receivables are measured at amortised cost. Receivables are classified as current financial assets unless their maturity date is more than 12 months from the balance sheet date. Trade receivables are recognised at historical cost less allowances for impairment. A valuation allowance for impairment of trade receivables is recognised when there is objective evidence that the New Lassila & Tikanoja will not be able to collect all amounts due according to the original terms of the receivables. The New Lassila & Tikanoja applies the simplified approach to providing for expected credit losses. Impairments are recognised as an expense in the income statement. Sold non-recourse trade receivables' credit risk and contractual rights are transferred from the New Lassila & Tikanoja on the selling date and related expenses are recognised as financial expenses. More information about allowance for impairment of trade receivables is presented in note 2.1 Trade and other receivables.

Financial liabilities measured at fair value through profit or loss

Deferred considerations are usually non-current liabilities with maturity more than 12 months. Measurement of fair value of the deferred considerations depends on the sale and purchase agreement. Both realised and unrealised gains and losses arising from the changes in fair value are recognised in the income statement for the financial period during which they incurred.

Financial liabilities measured at amortised cost
Financial liabilities measured at amortised cost are recognised in the statement of financial position on the settlement date at fair value, on the basis of the consideration received. Transaction costs directly attributable to the acquisition or issue of a loan are included in the original carrying amount of financial liabilities. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in the income statement using the effective interest rate method. Financial liabilities that expire within 12 months from the balance sheet date, including bank overdrafts in use, are recognised within current interest-bearing liabilities, and those expiring in a period exceeding 12 months, are recognised within non-current interest-bearing liabilities.

Lease liabilities
Fair value of lease liabilities is calculated by discounting future cash flows using the incremental borrowing rate. More information on the accounting policies for lease liabilities is presented in note 3.4 Right-of-use assets and lease liabilities.

Fair value hierarchy of financial assets and liabilities measured at fair value
Financial assets and liabilities recognised at fair value must be categorised by using a three-level fair value hierarchy that reflects the significance of the input data used in fair value measurement. Hierarchy level 1 includes such financial instruments, whose fair value is directly based on quoted prices in active markets. Financial instruments of hierarchy level 2 include over-the-counter (OTC) derivatives as well as loan receivables and loans measured at amortised cost. A financial instrument is categorised to level 3 if its fair value cannot be determined based on observable market information.

In the New Lassila & Tikanoja, deferred considerations relating to acquisitions are recognised at fair value. The fair values of deferred considerations are categorised in hierarchy level 3. The valuation is described in more detail in section Reconciliation of financial liabilities recognised at fair value according to the level 3.

31 Dec 2024, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level	Note
Non-current financial assets					
Other receivables	0.4		0.4		
Current financial assets					
Trade and other receivables	49.6		49.6		2.1
Cash pool receivables from related parties	0.1		0.1		
Cash and cash equivalents	1.9		1.9		
Total financial assets	52.0	-	52.0		
Non-current financial liabilities					
Borrowings	0.3		0.3	2	
Lease liabilities	45.2		45.2		4.2
Deferred consideration		6.7	6.7	3	
Current financial liabilities					
Borrowings	0.5		0.5	2	
Cash pool liabilities to related parties	11.6		11.6		
Lease liabilities	11.7		11.7		4.2
Trade and other payables	35.2		35.2		2.3
Total financial liabilities	104.6	6.7	111.3		

31 Dec 2023, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level	Note
Non-current financial assets					
Other receivables	0.7		0.7		
Current financial assets					
Trade and other receivables	54.6		54.6		2.1
Cash pool receivables from related parties	0.3		0.3		
Cash and cash equivalents	2.4		2.4		
Total financial assets	58.1	-	58.1		
Non-current financial liabilities					
Borrowings	0.8		0.8	2	
Lease liabilities	47.5		47.5		4.2
Deferred consideration		5.9	5.9	3	
Current financial liabilities					
Borrowings	0.6		0.6	2	
Cash pool liabilities to related parties	1.4		1.4		
Lease liabilities	14.7		14.7		4.2
Trade and other payables	43.4		43.4		2.3
Total financial liabilities	108.3	5.9	114.3		

31 Dec 2022, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level	Note
Non-current financial assets					
Other receivables	0.8		0.8		
Current financial assets					
Trade and other receivables	58.5		58.5		2.1
Cash pool receivables from related parties	20.5		20.5		
Cash and cash equivalents	2.6		2.6		
Total financial assets	82.3	-	82.3		
Non-current financial liabilities					
Borrowings	1.4		1.4	2	
Lease liabilities	41.4		41.4		4.2
Deferred consideration		5.7	5.7	3	
Current financial liabilities					
Borrowings	0.7		0.7	2	
Cash pool liabilities to related parties	6.9		6.9		
Lease liabilities	14.4		14.4		4.2
Trade and other payables	38.2		38.2		2.3
Total financial liabilities	103.0	5.7	108.7		

Trade and other receivables do not include tax receivables and accruals, and trade and other payables do not include statutory liabilities (e.g. tax liabilities), accrued expenses and deferred income. The fair values of balance sheet items do not differ significantly from the carrying amounts of the balance sheet items.

Reconciliation of financial liabilities recognised at fair value according to the level 3

MEUR	2024	2023	2022
Carrying amount 1 Jan	5.9	5.7	-
Deferred consideration at the date of the acquisition	-	-	5.1
Change in fair value	1.0	0.2	0.8
Exchange differences	-0.2	0.0	-0.2
Carrying amount 31 Dec	6.7	5.9	5.7

Deferred consideration is related to the acquisition of 70 per cent share of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. The acquisition took place on 1 February 2022. SVB is consolidated with 100 per cent share in the New Lassila & Tikanoja and, in connection with the arrangement, the New Lassila & Tikanoja has recognised in financial liabilities an estimate of the deferred consideration for the acquisition. The deferred consideration relates to the acquisition of non-controlling interest and is measured at fair value, which is reflected in the present value of the estimated liability. It will mature on 1 February 2026 at the earliest.

The valuation of the deferred consideration is based on the shareholder agreement and is affected by the acquired company's balance sheet structure and EBITDA forecast for 2025. More information on the deferred consideration is presented in note 2.4 Other non-current liabilities.

Net interest-bearing liabilities

MEUR	2024	2023	2022
Borrowings	0.3	0.8	1.4
Lease liabilities	45.2	47.5	41.4
Non-current interest-bearing liabilities	45.5	48.4	42.8
Lease liabilities	11.7	14.7	14.4
Cash-pool liabilities to related parties	11.6	1.4	6.9
Borrowings	0.5	0.6	0.7
Current interest-bearing liabilities	23.8	16.6	21.9
Total interest-bearing liabilities	69.4	65.0	64.7
Cash-pool receivables from related parties	0.1	0.3	20.5
Cash and cash equivalents	1.9	2.4	2.6
Net interest-bearing liabilities	67.4	62.3	41.7

Change in net interest-bearing liabilities

2024, MEUR	Borrowings	Cash-pool receivables and liabilities	Lease liabilities	Cash and cash equivalents	Total
Carrying amount on 1 Jan	1.4	1.1	62.2	-2.4	62.3
Change in net interest-bearing liabilities, cash:					
Repayments of non-current loans	-0.6				-0.6
Change in cash-pool receivables and liabilities		10.5			10.5
Repayments of lease liabilities			-13.9		-13.9
Change in cash and cash equivalents				0.5	0.5
Total cash flows	-0.6	10.5	-13.9	0.5	-3.5
Change in net interest-bearing liabilities, non-cash:					
Change in lease liabilities			8.6		8.6
Other changes	0.0			0.0	0.0
Total non-cash movements	0.0	-	8.6	0.0	8.7
Carrying amount on 31 Dec	0.8	11.6	56.9	-1.9	67.4

Change in net interest-bearing liabilities

2023, MEUR	Borrowings	Cash-pool receivables and liabilities	Lease liabilities	Cash and cash equivalents	Total
Carrying amount on 1 Jan	2.1	-13.6	55.8	-2.6	41.7
Change in net interest-bearing liabilities, cash:					
Repayments of non-current loans	-0.7				-0.7
Change in cash-pool receivables and liabilities		14.7			14.7
Repayments of lease liabilities			-14.5		-14.5
Change in cash and cash equivalent				0.1	0.1
Total cash flows	-0.7	14.7	-14.5	0.1	-0.3
Change in net interest-bearing liabilities, non-cash:					
Change in lease liabilities			20.9		20.9
Other changes	-0.0			0.0	-0.0
Total non-cash movements	-0.0	-	20.9	0.0	20.9
Carrying amount on 31 Dec	1.4	1.1	62.2	-2.4	62.3

Change in net interest-bearing liabilities

2022, MEUR	Borrowings	Cash-pool receivables and liabilities	Lease liabilities	Cash and cash equivalents	Total
Carrying amount on 1 Jan	-	-19.3	54.3	-1.5	33.5
Change in net interest-bearing liabilities, cash:					
Repayments of non-current loans	-0.9				-0.9
Change in cash-pool receivables and liabilities		5.7			5.7
Repayments of lease liabilities			-14.1		-14.1
Change in cash and cash equivalent				-1.2	-1.2
Total cash flows	-0.9	5.7	-14.1	-1.2	-10.4
Change in net interest-bearing liabilities, non-cash:					
Change in lease liabilities			15.5		15.5
Other changes	2.9			0.1	3.1
Total non-cash movements	2.9	-	15.5	0.1	18.6
Carrying amount on 31 Dec	2.1	-13.6	55.8	-2.6	41.7

4.2 Financial risk management

The New Lassila & Tikanoja has historically been part of the Demerging Group and its financial risks have been managed centrally by Demerging Group's finance function, which is managed by the Demerging Group's CFO. The principles for financial risk management are defined in the treasury policy approved by the Board of Directors of the Demerging Company. The purpose of financial risk management is to mitigate significant financial risks and strive to reduce the unfavourable effects of fluctuations in the financial market and other risk factors on the Demerging Group's result. In connection with the demerger, New Lassila & Tikanoja will establish its own finance function and develop its own financial risk management policy to maintain an effective risk management function.

Foreign exchange risk

The New Lassila & Tikanoja consists of the items allocated from the Demerging Company operating in Finland and the New Lassila & Tikanoja companies operating in Finland and Sweden. The Demerging Company's and the Finnish New Lassila & Tikanoja companies' functional and reporting currency is the euro. The Swedish New Lassila & Tikanoja companies' functional and reporting currency is Swedish krona. Thus, changes in foreign exchange rates have impact on the New Lassila & Tikanoja's result and invested equity.

Translation risk

The exposure to translation risk consists of net investments in foreign subsidiaries, which include equity investments and retained earnings. The position of net investments in foreign subsidiaries is not hedged, as these holdings are considered long-term strategic investments.

Translation differences totalling EUR -0.3 million in 2024, EUR 0.0 million in 2023 and EUR -0.5 million in 2022 were accumulated in the invested equity due to the fluctuations of currency rates. The translation difference is totally related to the Swedish business. At the balance sheet date, the Swedish krona denominated translation position was EUR 11.8 million in 2024, EUR 9.6 million in 2023 and EUR 8.5 million in 2022.

Transaction risk

The business operations of the New Lassila & Tikanoja's foreign subsidiaries are carried out almost completely in their functional currency and thus does not cause any transaction risk. The policy of the Demerging Group is to hold cash reserves primarily in the Group's operating currency, thereby avoiding exposure to exchange rate risk. The New Lassila & Tikanoja companies operating in Finland use euro as the invoicing currency for sales almost exclusively. Financing for subsidiaries is mainly provided through intra-Group loans that are denominated in the functional currency of each subsidiary. The amount of the internal loans within the New Lassila & Tikanoja is small, and thus does not cause significant transaction risk.

The New Lassila & Tikanoja has recognised in financial liabilities an estimate of a deferred consideration related to the acquisition of Sand & Vattenbläst i Tyringe AB. The Swedish krona denominated deferred consideration exposes the New Lassila & Tikanoja to a foreign exchange risk.

Price risk of investments

The New Lassila & Tikanoja has not invested in listed securities, the value of which changes as the market prices change, and is thus not exposed to securities price risk. The New Lassila & Tikanoja has a 55% holding in Laania Oy, a joint venture established on 1 July 2022 with Neova. The investment in the joint venture is accounted for using the equity method of accounting, and it's carrying amount in the balance sheet was EUR 18.9 million at the end of 2024, EUR 17.6 million at the end of 2023 and EUR 14.0 million at the end of 2022. More information on the joint venture and its measurement can be found in note 3.5 Other non-current assets. The New Lassila & Tikanoja's other holdings in unlisted shares are not material, and there is no substantial price risk related to these shares.

Commodity price risk

The fluctuations of the world market price of crude oil are reflected in the price of fuel used in production equipment as well as in the purchase prices of environmental products through oil-based raw materials. In waste management, some customer contracts specify such invoicing periods and contract terms that the sales prices cannot be raised monthly. This means that the rise in fuel prices is passed on to service prices with a delay.

The Group manages the raw material price risk for environmental products through fixing sales prices for a period not exceeding the period for which the suppliers' purchase prices are valid.

Interest rate risk

Fluctuations in market interest rates affect interest payments as well as the fair value of interest-bearing receivables and liabilities. The objective of interest rate risk management is to reduce the impact of interest rate fluctuations on the combined income statement, statement of financial position, and statement of cash flows.

In the carve-out financial statements, the New Lassila & Tikanoja's interest-bearing liabilities mainly consist of lease liabilities and cash-pool liabilities to the Demerging Company. The impact of a potential one percentage point change in the interest rate on the New Lassila & Tikanoja's result during the carve-out financial periods would have been insignificant. In the demerger, a subtantial amount of external loans will transfer to the New Lassila & Tikanoja, after which the interest rate risk will become more significant.

Most of the New Lassila & Tikanoja's net sales are generated by long-term service agreements. Due to good cash flow predictability, the Demerging Group's treasury policy specifies that the company shall seek to ensure adequate level of liquid assets in proportion to the current short-term financing requirements.

Credit and counterparty risk

Financial instruments involve the risk of the counterparty being unable to fulfil its contractual commitments. Counterparty risk is managed by making financial contracts with major Nordic banks only.

In the carve-out financial statements, the New Lassila & Tikanoja has receivables and liabilities from related parties, which mainly consist of intra-group receivables and liabilities from the Demerging Company. These receivables and liabilities will be settled in the demerger and will no longer exist after the demerger.

The New Lassila & Tikanoja has a wide customer base consisting of companies, industrial plants, housing corporations, public sector organisations and households. Its accounts receivable consist mostly of a high number of relatively small receivables and there are no significant concentrations of credit risk. The Demerging Group has credit control guidelines to ensure that services and products are sold only to customers with an appropriate credit standing or, if a customer's creditworthiness is inadequate, prepayment is required. Most customer relationships are based on long-term service contracts, and customers are not generally required to provide collateral.

A simplified credit loss model is used for trade receivables and contract assets. The amount of expected credit losses is based on the lifetime expected credit losses of receivables. The model is based on historical observed default amounts over the expected life of the trade receivables and is adjusted for forward-looking estimates depending on the overdue of the receivables. More information on allowance for expected credit losses can be found in note 2.1 Trade and other receivables.

With regard to Finnish trade receivables, collection operations are managed centrally by the Demerging Group's finance function. The foreign subsidiaries manage the collection of their trade receivables locally.

Financial assets and related credit risk

MEUR	2024	2023	2022
Other non-current receivables	0.4	0.7	0.8
Trade receivables	49.4	54.6	58.4
Other current receivables	0.2	0.0	0.1
Cash pool receivables from related parties	0.1	0.3	20.5
Cash and cash equivalents	1.9	2.4	2.6

Liquidity and refinancing risk

Liquidity risk management ensures that the Group can continuously meet its financial obligations related to operations at the lowest possible cost. The Demerging Group aims to maintain strong liquidity through efficient cash management. Liquidity is monitored in real time and forecasted using cash flow projections. The Demerging Group has previously centrally supervised and managed the liquidity and refinancing risk of the New Lassila & Tikanoja companies. The Demerging Group uses a group bank account system that supports cash management. The availability of financing is secured by engaging multiple banks in financing activities.

No portion of the Demerging Company's cash and cash equivalents has been allocated to these carve-out financial statements, as the New Lassila & Tikanoja's share of them cannot be reliably attributed to the New Lassila & Tikanoja. The New Lassila & Tikanoja's cash and cash equivalents consist of cash held by the legal entities of the New Lassila & Tikanoja. The New Lassila & Tikanoja's cash and cash equivalents amounted to EUR 1.9 million at the end of 2024, EUR 2.4 million at the end of 2023, and EUR 2.6 million at the end of 2022. In connection with the demerger, a certain amount of the Demerging Company's cash and cash equivalents will be transferred to the New Lassila & Tikanoja in accordance with the principles described in the demerger plan.

The following table shows the New Lassila & Tikanoja's financial liabilities classified according to contractual maturity dates at the balance sheet date. The figures shown are undiscounted contractual cash flows.

Maturity of financial liabilities

MEUR 2024	Carrying amount	Contractual cash flows	2025	2026	2027	2028	2029	2030 and later
Borrowings	0.8	0.8	0.5	0.3	0.1	0.0	-	-
Cash pool liabilities to related parties	11.6	11.6	11.6	-	-	-	-	-
Lease liabilities	56.9	60.9	14.4	10.5	6.6	5.9	5.5	18.0
Trade and other payables	35.2	35.2	35.2	-	-	-	-	-
Total	104.6	108.6	61.7	10.8	6.6	5.9	5.5	18.0

MEUR 2023	Carrying amount	Contractual cash flows	2024	2025	2026	2027	2028	2029 and later
Borrowings	1.4	1.5	0.6	0.5	0.3	0.1	0.0	-
Cash pool liabilities to related parties	1.4	1.4	1.4	-	-	-	-	-
Lease liabilities	62.2	65.4	15.1	12.0	7.5	5.5	5.1	20.3
Trade and other payables	43.4	43.4	43.4	-	-	-	-	-
Total	108.3	111.7	60.5	12.5	7.8	5.5	5.1	20.3

MEUR 2022	Carrying amount	Contractual cash flows	2023	2024	2025	2026	2027	2028 and later
Borrowings	2.1	2.3	0.8	0.6	0.5	0.3	0.1	0.0
Cash pool liabilities to related parties	6.9	6.9	6.9	-	-	-	-	-
Lease liabilities	55.8	62.5	14.4	11.9	8.5	4.5	2.6	20.6
Trade and other payables	38.2	38.2	38.2	-	-	-	-	-
Total	103.0	109.9	60.3	12.5	9.0	4.8	2.6	20.6

4.3 Invested Equity

Share capital and the number of shares

As New Lassila & Tikanoja Plc is being established through the partial demerger of the Demerging Company, and the carve-out financial statements have been prepared in accordance with the accounting principles presented in section 'Background and Basis of Preparation' of the notes to the carve-out financial statements, share capital is not presented separately for prior periods. As demerger consideration, the shareholders of the Demerging Company will receive one (1) share in New Lassila & Tikanoja Plc for each share they hold in the Demerging Company.

The final total number of New Lassila & Tikanoja shares to be issued as demerger consideration will be determined on the Effective Date of the Demerger based on the number of shares in the Demerging Company not held by the Demerging Company itself. Based on the situation as of the date of these carve-out financial statements, the total number of New Lassila & Tikanoja shares to be issued as demerger consideration would therefore be 38,211,724 shares. The final total number of shares may be affected, among other things, by changes in the number of shares issued by the Demerging Company, including, for example, if the Demerging Company issues new shares or acquires its own shares before the Effective Date. Shares may be transferred before the Effective Date, for example, to pay share-based incentives under share-based incentive schemes.

Translation differences

Translation differences arise from the translation of the equity and earnings of foreign subsidiaries into euros. Translation differences are recognised in translation differences within the total invested equity and the changes in the translation differences are presented in other comprehensive income.

4.4 Commitments and contingent liabilities

MEUR	2024	2023	2022
Collaterals for own commitments			
Company mortgages	0.5	0.5	2.0
Other securities	0.0	0.0	0.0
Bank guarantees required for environmental permits	25.0	26.6	17.4
Other bank guarantees	5.7	5.3	4.3
Liabilities on behalf of the joint venture			
Account limit	-	2.8	2.8
Bank guarantees	16.5	16.5	16.5
Term loan facility guarantee	-	11.0	16.5
Revolving credit facility	-	5.5	-
Future lease payments			
Within one year	0.0	0.0	0.0
Over one year	0.0	0.0	0.1

The New Lassila & Tikanoja has a 55% holding in Laania Oy, a joint venture established on 1 July 2022 together with Neova. The amount of the liabilities on behalf of the joint venture is disclosed as the New Lassila & Tikanoja's share of the maximum amount of liability, in relation to the New Lassila & Tikanoja's holding.

Future lease payments consist of minimum leasing commitments related to lease agreements for low-value assets, to which the New Lassila & Tikanoja has elected to apply recognition exemption permitted by IFRS 16. For more information on leases please refer to notes 1.6 Expenses related to leases and 3.4 Right-of-use assets and lease liabilities.

The New Lassila & Tikanoja is involved in a few disputes related to the ordinary business operations, the outcomes of which are not expected to have a material impact on the New Lassila & Tikanoja's financial position.

5. Consolidation and other notes

5.1 Consolidation

Subsidiaries

The carve-out financial statements include the assets, liabilities, income, expenses, and cash flows related to the New Lassila & Tikanoja's business from the Demerging Company and Hankinta Ky, as well as all New Lassila & Tikanoja entities in which the New Lassila & Tikanoja has control. The criteria for control are fulfilled when the New Lassila & Tikanoja is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The shareholdings between the New Lassila & Tikanoja companies are eliminated using the acquisition method. Consideration given and the identifiable assets and liabilities of an acquired company are recognised at fair value on the date of acquisition. Any costs associated with the acquisition, with the exception of costs arising from the issuance of debt securities or equity instruments, are recognised as expenses. Any conditional additional sale price is measured at fair value on the date of the acquisition and classified as a liability or as equity. Additional sales price classified as a liability is measured at fair value on the closing day of each reporting period, and the resulting gains or losses are recognised through profit or loss. Additional sales price classified as equity will not be re-measured. Any non-controlling interests in the acquired entity are recognised either at fair value or at the proportionate share of non-controlling interests in the acquired entity's net identifiable assets. The principle applied in measurement is specified separately for each acquisition. The treatment of goodwill from acquisition of subsidiaries is explained in note 3.1 Goodwill and other intangible assets.

The subsidiaries are fully consolidated from the date on which control is transferred to the New Lassila & Tikanoja until the date that control ceases.

The profit or loss for the period and the comprehensive income are attributed to the New Lassila & Tikanoja's shareholders and non-controlling interests, even if this would result in the non-controlling interest being negative. Equity attributable to non-controlling interests is presented as a separate item in the statement of financial position, as an equity component. Changes in the parent company's holdings in the subsidiary not resulting in loss of controlling interest are recognised as equity transactions. The New Lassila & Tikanoja has no non-controlling interests.

In an acquisition achieved in stages, the previous holdings are measured at fair value and the resulting gains or losses are recognised through profit or loss. If the New Lassila & Tikanoja loses its controlling interest in the subsidiary, its remaining holdings are measured at fair value on the date when control ceases, and the difference is recognised through profit or loss.

All inter-company transactions, receivables, liabilities and unrealised gains, as well as distribution of profits between the New Lassila & Tikanoja companies, are eliminated in the carve-out financial statements. Unrealised losses due to impairment of assets are not eliminated. The distribution of profit or loss for the period between equity holders of the New Lassila & Tikanoja and the non-controlling interest is presented separately in the income statement and the statement of comprehensive income, and the share of equity belonging to the non-controlling interest is presented as a separate item in the statement of financial position under equity.

Associated companies and joint ventures

Associated companies are entities over which the New Lassila & Tikanoja has significant influence but no control. The New Lassila & Tikanoja has significant influence when it holds more than 20% of the voting rights or otherwise has significant influence but not a non-controlling interest. Joint ventures are arrangements in which the New Lassila & Tikanoja has joint control.

The New Lassila & Tikanoja's interests in associated companies and joint ventures are accounted for using the equity method of accounting. Investments in associated companies and joint ventures are initially measured at fair value. The New Lassila & Tikanoja's share of its associated companies' or joint ventures' post-acquisition profits or losses after tax are recognised in the income statement. When the New Lassila & Tikanoja's share of losses in an associated company or a joint venture equals or exceeds its interest in the associated company or joint venture, the New Lassila & Tikanoja does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company or joint venture.

Foreign currency translation

Figures indicating the performance and financial position of the New Lassila & Tikanoja companies are specified in the currency of the economic operating environment in which the company primarily operates (functional currency). The carve-out financial statements are presented in euros, which is the New Lassila & Tikanoja's reporting currency.

Any transactions in foreign currencies are recognised in the functional currency using the exchange rate in effect on the transaction date. In practice, it is customary to use a rate that is close enough to the transaction day rate. Monetary assets denominated in foreign currency are translated into euros using the exchange rates in effect on the balance sheet date. Non-monetary assets are translated using the exchange rate in effect on the transaction date. The New Lassila & Tikanoja has no non-monetary assets denominated in foreign currency that are measured at fair value. Exchange rate gains and losses arising from foreign-currency transactions and the translation of monetary items are recognised in the income statement. Foreign exchange gains and losses on business transactions are included in the respective items above operating profit. Foreign exchange gains and losses on financial assets and liabilities are included in financial income and expenses.

The income statements of the New Lassila & Tikanoja companies whose functional currency is not the euro are translated into euros at average exchange rates for the period, and the statements of financial position at the exchange rates in effect at the balance sheet date. The difference in exchange rates applicable to the translation of profit in the income statement and statement of comprehensive income result in a translation difference recognised in the currency translation differences within invested equity. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries, as well as translation differences in equity items accumulating after the acquisition, are recognised in the translation difference reserve.

Goodwill and fair value adjustments to the carrying amounts of the assets and liabilities arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into euros at the closing rate.

5.2 New Lassila & Tikanoja companies

	The New Lassila & Tikanoja's holding of shares and votes, %
Allocated share of the Demerging Company	
Items allocated from the Demerging Company[1]	
Finnish subsidiaries	
L&T Ympäristöpalvelut Oy	100.0
L&T Teollisuuspalvelut Oy	100.0
Suomen Keräystuote Oy (from 1.7.2024 onwards, previously an associated company)	100.0
Sihvari Oy (until 9.6.2023)	100.0
Turun Seudun Hyötykuljetus Oy, Finland (until 1.8.2023)	100.0
L&T Biowatti Oy (until 1.7.2022)	100.0
Hankinta Ky[1]	
Foreign subsidiaries	
Sand & Vattenbläst i Tyringe AB, Sweden (from 1.2.2022 onwards)	70.0
Cisternservice i Hässleholm AB, Sweden (1 February 2022 - 30 December 2024)	70.0
PF Industriservice AB, Sweden (1 February 2024 - 30 December 2024)	70.0
Joint ventures	
Laania Oy Finland (from 1.7.2022 onwards)[2]	55.0

[1] The assets, liabilities, income, expenses, and cash flows related to the New Lassila & Tikanoja's business from the Demerging Company and Hankinta Ky. Hankinta Ky was liquidated in December 2023.

[2] Information on the joint venture and the sale of net assets of L&T Biowatti Oy to the joint venture is disclosed in notes 3.5 Other non-current assets and 5.4 Business disposals and assets and liabilites classified as held for sale.

In 2024, Cisternservice i Hässleholm AB and PF Industriservice AB were merged to Sand & Vattenbläst i Tyringe AB.

In 2023, Turun Seudun Hyötykuljetus Oy was merged to L&T Ympäristöpalvelut Oy and Sihvari Oy was liquidated.

5.3 Business acquisitions

Accounting policy

In business combinations, all property, plant and equipment acquired is measured at fair value on the basis of the market prices of similar assets, taking into account the age of the assets, wear and tear and similar factors. Tangible assets will be depreciated over their useful life according to the management's estimate, taking into account the depreciation principles followed within the New Lassila & Tikanoja.

Intangible assets arising from business combinations are recognised separately from goodwill at fair value at the time of acquisition if they are identifiable. In connection with acquired business operations, the New Lassila & Tikanoja mostly has acquired agreements on prohibition of competition and customer relationships as well as environmental permits. The fair value of customer agreements and customer relationships associated with them has been determined on the basis of estimated duration of customer relationships and discounted net cash flows arising from current customer relationships. The value of agreements on prohibition of competition is calculated in a similar manner through cash flows over the duration of the agreement. Intangible assets are amortised over their useful life according to the agreement or the management's estimate.

Critical judgements by Management

Assets and liabilities acquired in business combinations as well as assets and liabilities classified as held for sale are measured at fair value. Whenever possible, the management uses available market values when determining the fair values. When this is not possible, the measurement is based on the historical income from the asset. In particular, the measurement of intangible assets is based on discounted cash flows and requires the management to make estimates on future cash flows. Although these estimates are based on the management's best knowledge, actual results may differ from the estimates. The carrying amounts of assets are reviewed continuously for impairment. More information on this is provided in note 1.7. Depreciation, amortisation and impairments.

Business acquisitions 2024

On 1 February 2024, the New Lassila & Tikanoja acquired all of the shares of PF Industriservice AB, a company that provides process cleaning services in Sweden. Through the acquisition, the New Lassila & Tikanoja's process cleaning services business expanded to the Gävleborg area in Sweden. In the fair value measurement, intangible assets based on customer relationships with a value of EUR 0.7 million, as well as goodwill with a value of EUR 0.8 million were identified. The goodwill is mainly based on the regional position of the acquired business and its future development prospects.

On 1 July 2024, New Lassila & Tikanoja company L&T Ympäristöpalvelut Oy acquired the rest 60 per cent of the shares of Suomen Keräystuote Oy. Previously Suomen Keräystuote Oy was an associated company, of which the New Lassila & Tikanoja's ownership was 40 per cent. The transaction does not have a significant impact on the The New Lassila & Tikanoja's figures.

In 2024, business acquisitions had an EUR 2.6 million impact on the New Lassila & Tikanoja's net sales for the financial period and EUR 0.2 million on operating profit. If the acquisitions in 2024 had been completed on 1 January 2024, the New Lassila & Tikanoja's net sales would have been approximately EUR 424.0 million and operating profit approximately EUR 40.5 million.

In 2024, expenses totalling EUR 0.1 million related to the acquisitions were recognised in the income statement.

Business acquisitions 2023

There were no business acquisitions in 2023.

Business acquisitions 2022

On 1 February 2022, the New Lassila & Tikanoja acquired 70 per cent of the shares of Sand & Vattenbläst i Tyringe AB ("SVB"), a company that provides process cleaning services in Sweden. The transaction also includes Cisternservice i Hässleholm AB, owned by SVB. Through the acquisition, the New Lassila & Tikanoja's Industrial Services division entered the Swedish process cleaning market. In the fair value measurement, intangible assets based on customer relationships with a value of EUR 2.8 million, agreements on prohibition of competition with a value of EUR 0.1 million, as well as goodwill with a value of EUR 8.3 million were identified. The goodwill is mainly based on the strong regional position of the acquired business and its future development prospects. 100 per cent share of SVB is consolidated in the New Lassila & Tikanoja and, in connection with the arrangement, the New Lassila & Tikanoja has recognised in the financial liabilities an estimate of the deferred consideration related to the acquisition of the non-controlling interest. The deferred consideration is measured at fair value through profit or loss.

The New Lassila & Tikanoja acquired the business operations of Fortum Waste Solutions Oy's small and medium-sized business segment for hazardous and non-hazardous waste on 1 February 2022. Through the acquisition, the New Lassila & Tikanoja's Circular Economy businesses received new customers across Finland.

In 2022 business acquisitions had an EUR 19.9 million impact on the New Lassila & Tikanoja's net sales for the financial period and EUR 2.5 million on operating profit. If the acquisitions in 2022 had been completed on 1 January 2022, the New Lassila & Tikanoja's net sales would have been approximately EUR 451.7 million and operating profit approximately EUR 44.5 million.

In 2022, expenses totalling EUR 0.4 million related to the acquisitions were recognised in the income statement.

Fair value, MEUR	Business acquisitions 2024	Business acquisitions 2023	Business acquisitions 2022
Intangible assets	0.7	-	5.6
Property, plant and equipment	0.4	-	4.9
Right-of-use assets	0.1	-	1.4
Inventories	-	-	0.1
Receivables	0.2	-	1.8
Cash and cash equivalents	0.5	-	1.2
Total assets	1.9	-	15.0
Other liabilities	0.4	-	6.4
Deferred tax liabilities	0.2	-	1.0
Total liabilities	0.6	-	7.4
Net assets acquired	1.2	-	7.6
Total consideration	2.1	-	19.6
Goodwill	0.8	-	11.9
Impact on cash flow			
Total consideration	-2.1		-19.6
Deferred consideration	-	-	5.1
Consideration paid in cash	-2.1	-	-14.4
Cash and cash equivalents of the acquired company	0.5	-	1.2
Total impact on cash flow	-1.6	-	-13.2

The acquisition price calculations prepared according to IFRSs are final. The figures for such acquired businesses, that are not material when considered separately, are stated in aggregate.

5.4 Business disposals and assets and liabilities classified as held for sale

Accounting policy
Assets and liabilities held for sale are measured at lower of the carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and their sale is highly probable. The non-current assets classified as held for sale are not depreciated.

In 2023 and 2024, the New Lassila & Tikanoja did not have any business disposals or assets or liabilities classified as held for sale.

On December 17, 2021, the New Lassila & Tikanoja and Neova Oy signed an agreement to merge their fuel wood businesses. According to the agreement, Neova's fuel wood business was transferred to L&T Biowatti Oy on 1 July 2022. After the merger, the company continued as an independent limited company called Laania Oy. The New Lassila & Tikanoja's share of the joint venture is 55 per cent and Neova's 45 per cent, but based on the agreement both parties have joint control over the joint venture. In the first half of 2022, L&T Biowatti Oy was fully consolidated to the carve-out financial statements as a subsidiary. After this, the New Lassila & Tikanoja's share of the joint venture's net result is recognised in the income statement on a separate line. In the Demerger, the shares of Laania will transfer to the New Lassila & Tikanoja.

Investment in joint venture
At the acquisition date, the New Lassila & Tikanoja's investment in joint venture totalled EUR 13.3 million. It is recognised on line Shares in associated companies and joint ventures in the combined statement of financial position. The transaction is valued according to the IAS 28. In the last quarter of 2022, the transaction was finalised and the New Lassila & Tikanoja recognised a gain totalling EUR 4.3 million on the transaction. The gain on sale was included in other operating income in the New Lassila & Tikanoja's income statement. In 2022, expenses totalling EUR 0.5 million related to the transaction were recognised in the income statement. More information on the joint venture is presented in note 3.5.

Net assets disposed of

MEUR	2022
Intangible and tangible assets	0.4
Right-of-use assets	0.7
Other non-current receivables	0.3
Inventories	24.7
Trade and other receivables	6.1
Cash and cash equivalents	2.0
Assets Total	34.0
Non-current financial liabilities	14.8
Current financial liabilities	0.1
Trade and other payables	10.1
Liabilities Total	25.0
Net assets disposed of	9.0

Gain on sale

MEUR	2022
Fair value of the shares in joint venture received	13.3
Net assets disposed of	-9.0
Total	4.3

Cash flow impact

MEUR	2022
Consideration received in cash	-
Cash and cash equivalents of the business sold	-2.0
Total	-2.0

5.5 Related-party transactions

Related parties of the New Lassila & Tikanoja include the subsidiaries belonging to the New Lassila & Tikanoja, the Demerging Company and its subsidiaries, the associated company (Suomen Keräystuote Oy until 1 July 2024), the joint venture (Laania Oy), and the L&T Sickness Fund. Related parties also comprise the New Lassila & Tikanoja's as well as the Demerging Groups key management personnel (members of the Board of Directors, the CEO, and members of the management team), their close family members and entities under their control.

Lists of the companies belonging to the New Lassila & Tikanoja as well as associated companies and joint ventures are presented in the carve-out principles section of the basis of preparation as well as in note 5.2. New Lassila & Tikanoja companies.

The contributions paid by the New Lassila & Tikanoja companies to the L&T sickness fund amounted to EUR 0.5 million in 2024, EUR 0.4 million in 2023 and EUR 0.4 million in 2022.

No loans were granted and no guarantees nor other securities given to persons belonging to the related parties of the New Lassila & Tikanoja.

Transactions with Demerging Group

The New Lassila & Tikanoja's business transactions with the Demerging Group are presented in the following table. Transactions with the Demerging Group are conducted at arm's lenght prices.

MEUR	2024	2023	2022
Net sales	1.0	1.1	1.4
Purchases of materials and services	-0.2	-0.3	-0.3
Other operating expenses	-0.8	-0.7	-0.7
Financial income	0.1	0.1	0.1
Financial expenses	-1.7	-0.7	-0.3
Cash pool receivables	0.1	0.3	20.5
Trade and other receivables	0.3	0.3	0.1
Cash pool liabilities	11.6	1.4	6.9
Trade and other payables	0.1	0.1	0.2

Sales by the New Lassila & Tikanoja to companies belonging to the Demerging Group consist of items typical of ordinary business operations, such as subcontracting services and sales of materials and supplies. Purchases and other operating expenses mainly comprise subcontracting service fees and other service purchases. Financial income and expenses consist of interest related to cash pool receivables and liabilities. Trade and other receivables as well as trade and other payables consist of items arising from ordinary business operations.

Transactions with the joint venture

The New Lassila & Tikanoja's business transactions with Laania Oy are presented in the following table. In the first quarter of 2024, Laania paid dividends totalling EUR 1.8 million to the New Lassila & Tikanoja. In the final quarter of 2022, Laania paid loans totalling EUR 16.4 million to the New Lassila & Tikanoja. The Demerging Group has also provided guarantees for Laania's financing arrangements. These guarantees have been allocated to the New Lassila & Tikanoja in these carve-out financial statements and are specified in note 4.4 Commitments and contingent liabilities.

MEUR	2024	2023	2022
Net sales	3.1	2.2	0.6
Other operating income	-	-	0.3
Purchases of materials and services	-0.9	-1.3	-0.7
Trade and other receivables	0.0	0.0	0.0

Management remuneration

The table below presents the portion of costs allocated to the New Lassila & Tikanoja from key management personnel of the Demerging Company for the preparation of the carve-out financial statements, reflecting management's contribution to the New Lassila & Tikanoja's business. The allocation key used is a relevant identifier for each corporate function, such as revenue or headcount.

TEUR	2024	2023	2022
Salaries and other short-term employee benefits	990.3	1,215.1	1,054.7
Bonuses	124.9	136.0	211.7
Termination benefits	494.7	-	-
Share-based payments	193.9	-	338.3
Pension expenses, statutory	104.2	106.5	84.0
Total	1,908.0	1,457.7	1,688.7

In addition, the carve-out financial statements include an allocation of salaries and remunerations paid to the members of the Demerging Company's Board of Directors as follows: 204 thousand euros in 2024, 141 thousand euros in 2023, and 150 thousand euros in 2022.

The New Lassila & Tikanoja has not operated as an independent public limited company during the presented financial periods; therefore, the figures shown above should not be considered indicative of the future remuneration of key management personnel of the New Lassila & Tikanoja.

The New Lassila & Tikanoja has not had any significant related party transactions other than those presented above.

5.6 Auditing costs

Carve-out principle

The carve-out financial statements include the portion of the Demerging Group's auditing costs that can be directly allocated to the New Lassila & Tikanoja companies, as well as half of the Demerging Company's auditing costs.

MEUR	2024	2023	2022
Auditing	0.1	0.1	0.1
Other assignments in accordance with the auditing act	0.0	0.0	0.0
Tax consulting services	0.0	0.0	0.0
Other services	0.1	0.0	0.1
Total	0.2	0.2	0.3

PricewaterhouseCoopers Oy acted as statutory auditor of the Demerging Company in the financial years 2022-2024.

Non-audit services performed by the statury auditor PricewaterhouseCoopers Oy totalled EUR 113 thousand in 2024, EUR 45 thousand in 2023 and EUR 147 thousand in 2022.

5.7 Events after the reporting period

On 7 August 2025, the Demerging Company announced that its Board of Directors has approved a demerger plan, pursuant to which the Demerging Company will demerge so that all assets, debts and liabilities relating to the Circular Economy business area will be transferred to a newly incorporated company to be named Lassila & Tikanoja Plc. According to the demerger plan, the planned completion date of the demerger is 31 December 2025. Trading in the shares of New Lassila & Tikanoja on Nasdaq Helsinki is expected to commence on or about 2 January 2026, or as soon as practicable thereafter.

The Demerging Company will hold an Extraordinary General Meeting on 4 December 2025 to resolve on the demerger and other proposals by the Board of Directors based on the demerger plan.

In accordance with the recommendation of the Shareholders' Nomination Board, the Board of Directors of the Demerging Company proposes to the Extraordinary General Meeting that Jukka Leinonen be elected Chair of the Board of Directors of New Lassila & Tikanoja Plc, Sakari Lassila as Vice Chair, and that Tuija Kalpala, Teemu Kangas-Kärki and Anna-Maria Tuominen-Reini be elected as members of the Board of Directors of New Lassila & Tikanoja Plc. Subject to the completion of the demerger, it is intended that Jukka Leinonen, Tuija Kalpala, Teemu Kangas-Kärki, Sakari Lassila and Anna-Maria Tuominen-Reini would not continue as members of the Board of Directors of the Demerging Company.

On 9 June 2025, the Demerging Company announced that the Board of Directors of the Demerging Company has proposed that Eero Hautaniemi be appointed President and CEO of the independent New Lassila & Tikanoja Plc, and Joni Sorsanen be appointed CFO of the independent New Lassila & Tikanoja Plc, subject to the completion of the demerger. Eero Hautaniemi and Joni Sorsanen will continue in their current roles at the Demerging Company until the planned completion of the demerger, at which time the appointments related to the demerger will become effective.

On 27 June 2025, the Demerging Company announced that it has entered into financing commitments related to an EUR 80 million bridge loan and a non-binding additional financing option for the existing EUR 75 million unsecured bond. Following the demerger, the financing of New Lassila & Tikanoja Plc would primarily consist of the EUR 75 million unsecured notes, provided that the bondholders do not exercise their early redemption right triggered by the partial demerger, as well as new EUR 35 million and EUR 15 million term loans and a EUR 40 million revolving credit facility.

The EUR 35 million term loan, the EUR 15 million term loan and the EUR 40 million revolving credit facility will mature in the second quarter of 2028, with a two-year extension option included in the agreements. The financing arrangements include following financial covenants: equity ratio and net debt to EBITDA ratio. Compliance with the covenant terms is monitored on a quarterly basis.

On 7 August 2025, the Demerging Company announced that it will initiate a written procedure to obtain consents, waivers and decisions on amendments related to its EUR 75 million sustainability-linked bond maturing in 2028. According to the proposal, all obligations and liabilities of the issuer arising from or relating to the bonds would be transferred in the demerger exclusively to the receiving company, which would become the new issuer of the bonds. Consequently, all references to the “issuer” in the bond terms and otherwise in relation to the bonds shall be deemed to refer to the receiving company.

On 29 August 2025, the Demerging Company announced that the required majority of bondholders participating in the written procedure had voted in favour of the proposal, and the proposal was thereby approved. 100 per cent of the votes cast supported the proposal, representing 99 per cent of the outstanding bonds. Following the approval of the proposal through the written procedure, the Demerging Company cancelled the EUR 80 million bridge loan in September 2025.

Business acquisitions after the reporting period

On 2 June 2025, New Lassila & Tikanoja company L&T Ympäristöpalvelut Oy acquired the pallet business of Stena Recycling Oy. The annual net sales of the business has been approximately EUR 10 million. The acquisition strengthens the New Lassila & Tikanoja's service offering and supports the growth of its circular economy business in line with the strategy. As a result of the business acquisition, the New Lassila & Tikanoja's pallet business will employ just over 30 people across four locations. In the fair value measurement, intangible assets based on customer relationships amounting to EUR 3.7 million and goodwill amounting to EUR 3.4 million were identified. Goodwill is primarily based on a broader service network, a stronger service offering, and future development prospects. The goodwill is tax-deductible.

Fair value total, MEUR	Business acquisitions 1-9/2025
Intangible assets	3.8
Property, plant and equipment	0.4
Right-of-use assets	0.9
Inventories	0.5
Receivables	-
Cash and cash equivalents	-
Total assets	5.6
Other liabilities	1.0
Deferred tax liabilities	-
Total liabilities	1.0
Net assets acquired	4.6
Total consideration	8.0
Goodwill	3.4
Impact on cash flow	
Total consideration	-8.0
Consideration paid in cash	-8.0
Total impact on cash flow	-8.0

Signatures of the Carve-out Financial Statements

Helsinki, 20 November 2025

Jukka Leinonen
Chairman of the Board

Sakari Lassila
Vice Chairman of the Board

Tuija Kalpala
Member of the Board

Teemu Kangas-Kärki
Member of the Board

Juuso Maijala
Member of the Board

Anna-Maria Ronkainen
Member of the Board

Pasi Tolppanen
Member of the Board

Anna-Maria Tuominen-Reini
Member of the Board

Eero Hautaniemi
President and CEO

Independent auditor's report (Translation of the Finnish Original)

To the Board of Directors of Lassila & Tikanoja plc

Opinion

In our opinion each carve-out financial statement included in the set of carve-out financial statements give a true and fair view of New Lassila & Tikanoja's combined financial position and combined financial performance and combined cash flows in accordance with IFRS Accounting Standards as adopted by the EU and in accordance with carve-out principles described in the notes to the set of carve-out financial statements.

What we have audited

We have audited the carve-out financial statements for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 ("carve-out financial statements") included in the set of carve-out financial statements ("set of carve-out financial statements") prepared for Lassila & Tikanoja plc's circular economy business to be carved out and transferred from Lassila & Tikanoja plc in a demerger to a new public company Lassila & Tikanoja Plc ("New Lassila & Tikanoja") established in the demerger. Each carve-out financial statement included in the set of carve-out financial statements includes a combined statement of financial position, a combined income statement, a combined statement of comprehensive income, a combined statement of cash flows, a combined statement of changes in invested equity and notes to the carve-out financial statements, which include material accounting policy information on the carve-out financial statements and other explanatory information.

The set of carve-out financial statements has been prepared solely for the inclusion in New Lassila & Tikanoja's demerger and listing prospectus described in the notes to the set of carve-out financial statements, which Lassila & Tikanoja plc will prepare.

This auditor's report is provided for inclusion in the above-mentioned demerger and listing prospectus only.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the Auditor's responsibilities for the audit of the carve-out financial statements section of our report.

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

Independence

We are independent of Lassila & Tikanoja plc with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter

We draw attention to the note Background and basis of preparation in the set of carve-out financial statements. The note includes a description of the principles applied with regards to the designation of assets and liabilities, income and expenses as well as cash flows directly attributable to New Lassila & Tikanoja. In addition, the note explains that New Lassila & Tikanoja has not formed a separate legal group of entities during the years presented. Thus, the separate carve-out financial statements included in the set of carve-out financial statements are not necessarily indicative of the financial position, financial performance and cash flows of New Lassila & Tikanoja if it had operated as a separate legal group of entities during the financial years presented, nor future performance. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Managing Director for the carve-out financial statements

Lassila & Tikanoja plc's Board of Directors and Managing Director are responsible for the preparation of each carve-out financial statement included in the set of carve-out financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and in accordance with carve-out principles described in the notes of the set of carve-out financial statements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, the Board of Directors and the Managing Director are responsible for assessing New Lassila & Tikanoja's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The carve-out financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate New Lassila & Tikanoja or to cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of the carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 carve-out financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Lassila & Tikanoja's internal control.

- Evaluate the appropriateness of accounting principles applied in the carve-out financial statements and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on New Lassila & Tikanoja's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause New Lassila & Tikanoja to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events so that the carve-out financial statements give a true and fair view.

- Plan and perform the audit of the carve-out financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units included in the carve-out financial statements as a basis for forming an opinion on the carve-out financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the carve-out financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki 20 November 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant (KHT)

New Lassila & Tikanoja

Unaudited carve-out financial information as at and for the nine-month period ended 30 September 2025

Contents

Combined income statement

MEUR	1-9/2025	1-9/2024	1-12/2024	Note
Net sales	315.5	318.5	423.9	3, 4
Other operating income	4.0	1.6	2.7	
Materials and services	-89.7	-91.7	-123.6	3
Employee benefit expenses	-106.4	-105.4	-140.3	3
Other operating expenses	-59.7	-59.0	-78.8	3
Depreciation, amortisation and impairment	-33.7	-32.3	-43.4	3, 6
Operating profit	30.0	31.8	40.5	2, 3, 4
Financial income	0.1	0.1	0.1	
Financial expenses	-3.8	-3.3	-4.9	
Exchange rate differences (net)	0.1	-0.0	-0.0	
Financial income and expenses	-3.6	-3.3	-4.7	
Share of the result of associated companies and joint ventures	1.0	2.3	3.2	
Result before taxes	27.5	30.8	38.9	
Income taxes	-4.9	-5.8	-7.4	
Result for the period	22.5	25.0	31.5	
Attributable to:				
Equity holders of New Lassila & Tikanoja	22.5	25.0	31.5	

Combined statement of comprehensive income

MEUR	1-9/2025	1-9/2024	1-12/2024	Note
Result for the period	22.5	25.0	31.5	
Other comprehensive income, net of tax				
Items that may be reclassified to profit or loss				
Currency translation differences	0.3	-0.2	-0.3	
Other comprehensive income, total	0.3	-0.2	-0.3	
Total comprehensive income, after tax	22.8	24.8	31.2	
Attributable to:				
Equity holders of New Lassila & Tikanoja	22.8	24.8	31.2	

Combined statement of financial position

MEUR	30 Sep 2025	30 Sep 2024	31 Dec 2024	Note
ASSETS				
Non-current assets				
Goodwill	122.5	118.9	118.8	6
Other intangible assets	37.0	33.9	35.1	6
Total intangible assets	159.5	152.8	153.9	
Right-of-use assets	52.0	57.4	54.8	6
Other property, plant and equipment	148.9	156.1	155.3	6
Total property, plant and equipment	200.9	213.5	210.1	
Shares in associated companies and joint ventures	18.3	18.1	18.9	
Other shares and holdings	0.1	0.1	0.1	
Other non-current receivables	0.4	0.5	0.4	9
Total other non-current assets	18.8	18.6	19.5	
Total non-current assets	379.2	384.9	383.4	
Current assets				
Inventories	11.1	9.0	9.2	
Trade receivables	63.4	57.7	49.4	9
Contract assets	16.8	9.8	7.2	
Income tax receivables	0.2	0.0	0.0	
Cash-pool receivables from related parties	0.1	-	0.1	9, 10
Other current receivables	2.7	1.5	1.7	9
Cash and cash equivalents	1.5	0.9	1.9	9
Total current assets	95.7	78.9	69.6	
Total assets	474.9	463.9	453.0	

Combined statement of financial position

MEUR	30 Sep 2025	30 Sep 2024	31 Dec 2024	Note
INVESTED EQUITY AND LIABILITIES				
Total invested equity	246.2	244.6	252.1	
Liabilities				
Non-current liabilities				
Deferred tax liabilities	22.0	21.1	21.7	
Pension liabilities	0.1	0.1	0.1	
Provisions	6.5	6.7	6.3	8
Borrowings	0.1	0.3	0.3	9
Lease liabilities	43.3	47.4	45.2	9
Other liabilities	6.0	12.7	13.4	9
Total non-current liabilities	78.1	88.2	87.0	
Current liabilities				
Borrowings	0.3	0.7	0.5	9
Cash-pool liabilities to related parties	35.2	21.8	11.6	9, 10
Lease liabilities	10.9	12.1	11.7	9
Trade and other payables	99.0	91.1	89.4	9
Income tax liabilities	5.0	5.4	0.1	
Provisions	0.2	-	0.6	8
Total current liabilities	150.6	131.0	113.9	
Total liabilities	228.7	219.3	200.9	
Total invested equity and liabilities	474.9	463.9	453.0	

Combined statement of cash flows

MEUR	1-9/2025	1-9/2024	1-12/2024	Note
Cash flows from operating activities				
Result for the period	22.5	25.0	31.5	
Adjustments				
Income taxes	4.9	5.8	7.4	
Depreciation, amortisation and impairment	33.7	32.3	43.4	3, 6
Financial income and expenses	3.6	3.3	4.7	
Gains and losses on sale of tangible and intangible assets	-0.1	-0.8	-0.7	
Share of result of associated companies and joint ventures	-1.0	-2.3	-3.2	
Provisions	-0.6	-0.3	-0.2	8
Other adjustments	-2.0	0.4	1.1	
Net cash generated from operating activities before change in working capital	61.1	63.3	84.0	
Change in working capital				
Change in trade and other receivables	-24.4	-3.6	7.0	9
Change in inventories	-1.4	-1.3	-1.5	
Change in trade and other payables	5.0	-2.7	-3.9	9
Change in working capital	-20.8	-7.6	1.5	
Interest and other financial expenses paid	-3.6	-3.7	-4.7	
Interest and other financial income received	0.1	0.1	0.1	
Income taxes paid	0.1	-0.5	-6.9	
Net cash from operating activities	36.9	51.6	74.0	
Cash flows from investing activities				
Acquisitions of subsidiaries and businesses, net of cash acquired	-8.0	-1.5	-1.5	5
Purchases of intangible assets and property, plant and equipment	-15.0	-32.3	-41.2	
Proceeds from sale of intangible assets and property, plant and equipment	0.2	1.0	1.1	
Dividends received from joint venture	1.6	1.8	1.8	10
Dividends received from other non-current investments	0.0	0.0	0.0	
Net cash from investing activities	-21.3	-31.0	-39.8	
Net cash from operating and investing activities	15.6	20.6	34.3	
Cash flows from financing activities				
Cash pool financing with Demerging Company	23.5	20.7	10.5	9, 10
Equity financing with Demerging Group, net	-28.9	-31.7	-30.7	
Repayments of long-term borrowings	-0.4	-0.5	-0.6	9
Repayments of lease liabilities	-10.2	-10.6	-13.9	
Net cash from financing activities	-15.9	-22.1	-34.8	
Net change in cash and cash equivalents	-0.3	-1.4	-0.5	
Cash and cash equivalents at the beginning of the period	1.9	2.4	2.4	
Effect of changes in foreign exchange rates	-0.1	-0.0	-0.0	
Cash and cash equivalents at the end of the period	1.5	0.9	1.9	9

Combined statement of changes in invested equity

MEUR	Currency translation differences	Invested equity and retained earnings	Invested equity attributable to equity holders of New Lassila & Tikanoja
Invested equity on 1 January 2024	-0.4	251.9	251.4
Result for the period		25.0	25.0
Translation difference	-0.2		-0.2
Total comprehensive income	-0.2	25.0	24.8
Share-based benefits		0.1	0.1
Equity transactions with Demerging Group		-31.7	-31.7
Invested equity on 30 September 2024	-0.6	245.2	244.6
Invested equity on 1 January 2025	-0.7	252.8	252.1
Result for the period		22.5	22.5
Translation difference	0.3		0.3
Total comprehensive income	0.3	22.5	22.8
Share-based benefits		0.2	0.2
Equity transactions with Demerging Group		-28.9	-28.9
Invested equity on 30 September 2025	-0.4	246.7	246.2

Notes to the carve-out financial information

1. Background

The company registered under the name Lassila & Tikanoja plc (the "Demerging Company"), together with its subsidiaries (the "Demerging Group"), specialises in environmental services as well as property and facility maintenance in Finland and Sweden. On 7 August 2025, the Board of Directors of the Demerging Company approved a demerger plan concerning a partial demerger of the Demerging Company. According to the demerger plan, the Demerging Company will be split so that all assets, liabilities, and obligations related to the circular economy business, or primarily serving the circular economy business, will be transferred to a newly established independent company, which will be named Lassila & Tikanoja Plc (the "New Lassila & Tikanoja Plc"), (the "Demerger"). The New Lassila & Tikanoja Plc and its subsidiaries engaged in circular economy business (the "New Lassila & Tikanoja Companies") will form the new Lassila & Tikanoja Group (the "New Lassila & Tikanoja" or the "New Lassila & Tikanoja Group"). The facility services businesses of the Demerging Company will remain with the Demerging Company after the demerger, and the Demerging Company is intended to be renamed Luotea Plc ("Luotea") in connection with the Demerger.

The demerger is conditional upon the approval of the Demerging Company's Extraordinary General Meeting to be held on 4 December 2025. An application is intended to be made to admit the shares of the New Lassila & Tikanoja for trading on the official list of Nasdaq Helsinki Ltd ("Nasdaq Helsinki"). Shareholders of the Demerging Company will receive one share in the New Lassila & Tikanoja Plc for each share they hold in the Demerging Company as demerger consideration. The effective date of the demerger is planned to be 31 December 2025. The trading in the shares of the New Lassila & Tikanoja Plc on the official list of Nasdaq Helsinki is expected to begin on 2 January 2026 or as soon as reasonably possible thereafter. As of the date of the Demerger and Listing Prospectus, the total number of outstanding shares in the Demerging Company is expected to be 38,211,724 shares. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no demerger consideration will be issued for the Demerging Company's own shares held by the company itself. The final number of shares to be issued as demerger consideration in the New Lassila & Tikanoja Plc will be determined based on the number of shares in the Demerging Company (excluding the company's own shares held in treasury) on the effective date of the Demerger.

The New Lassila & Tikanoja has not previously formed a separate group and has not prepared consolidated financial statements for internal or external reporting prior to the Demerger. In connection with the Demerger, the Demerging Company will separate and transfer the relevant assets and liabilities to the New Lassila & Tikanoja. The Demerging Company has prepared a carve-out financial information as at and for the nine-month period ended 30 September 2025. This carve-out financial information illustrates the performance, assets and liabilities, and cash flows of the business operations to be separated into the New Lassila & Tikanoja.

The future parent company of the New Lassila & Tikanoja, the New Lassila & Tikanoja Plc, will be established on the date the execution of the Demerger is registered with the Trade Register maintained by the Finnish Patent and Registration Office.

This carve-out financial information has been prepared for inclusion in the Demerger and Listing Prospectus of the New Lassila & Tikanoja Plc, which will be prepared by the Demerging Company for the Extraordinary General Meeting approving the partial demerger and for the listing of New Lassila & Tikanoja Plc's shares on the official list of Nasdaq Helsinki. The Board of Directors of the Demerging Company has approved this carve-out financial information for publication on 20 November 2025.

2. Basis of preparation

Carve-out financial information

The carve-out financial information as at and for the nine-month period ended 30 September 2025 of the New Lassila & Tikanoja has been prepared by combining the historical carrying amounts of income, expenses, assets, liabilities and cash flows attributable to the legal entities forming the New Lassila & Tikanoja, as included in the consolidated financial statements of the Demerging Company. Accordingly, income, expenses, assets, liabilities and cash flows that are directly attributable or allocable to, or that will transfer to, the New Lassila & Tikanoja have been included in the carve-out financial information. In addition, the carve-out financial information includes certain allocations from the Demerging Group, including income, expenses, assets, liabilities and cash flows of the Demerging Company that are either transferred to the New Lassila & Tikanoja or have been allocated to it for the purpose of preparing this carve-out financial information.

The carve-out financial information as at and for the nine-month period ended 30 September 2025 of the New Lassila & Tikanoja has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. In preparing this carve-out financial information, the carve-out principles applied in the preparation of Lassila & Tikanoja's carve-out financial statements as at and for the financial years ended 31 December 2024, 31 December 2023, and 31 December 2022 have been taken into account as well as the changes in accounting principles described below. The changes in IFRS Accounting Standards that are effective 1 January 2025 onwards did not have a material impact on the carve-out financial information.

As IFRS Accounting Standards do not provide specific guidance on the preparation of carve-out financial information, certain procedures commonly used in the preparation of historical financial information have been applied in compiling the carve-out financial information included in the prospectus, as when preparing the carve-out financial statements of the New Lassila & Tikanoja as at and for the years ended 31 December 2024, 31 December 2023 and 31 December 2022.

This carve-out financial information may not necessarily reflect the combined results of operations and financial position that the New Lassila & Tikanoja would have had if it would have operated as an independent legal group and prepared standalone consolidated financial information for the periods presented. Nor does the carve-out financial information necessarily indicate the future results of operations, financial position or cash flows of the New Lassila & Tikanoja.

The information in the carve-out financial information is presented in millions of euros unless otherwise stated. All figures presented have been rounded, which may result in the sum of individual figures differing from the total amount presented.

This carve-out financial information is unaudited.

Critical judgements by Management

In preparing the carve-out financial information, the management of the New Lassila & Tikanoja is required to make estimates and assumptions about the future, the outcomes of which may differ from those estimates and assumptions. Management must also exercise judgement when making decisions regarding the selection and application of accounting principles.

Judgement-based decisions particularly concern cases where the applicable IFRS Accounting Standards provide alternative methods for recognition, measurement, or presentation.

The estimates and assumptions requiring management judgement have been used in the following sections: Application of the carve-out principles, revenue recognition, provisions, goodwill impairment testing, right-of-use assets and lease liabilities as well as business acquisitions. More information on the estimates and assumptions requiring management judgement is included in the notes to the carve-out financial statements.

3. Segment reporting

Operating segments

The segment data in this carve-out financial information has been reported in accordance with the reporting structure of the Demerging Group as of 30 September 2025, and the chief operating decision-maker has been the CEO of the Demerging Company. As of 1 January 2025, the Demerging Company has had three reportable segments: Circular Economy Business, which comprises the former Environmental Services and Industrial Services divisions, as well as Facility Services Finland and Facility Services Sweden. In connection with the demerger, the Circular Economy Business will transfer to the New Lassila & Tikanoja. During the review period, the New Lassila & Tikanoja has thus one operating and reportable segment, consisting of items related to the circular economy business. The item "Unallocated items and eliminations" includes the portion of the Demerging Company's group administration income and expenses allocated to the New Lassila & Tikanoja, which have not been assigned to segments. These income and expenses include items common to the entire Demerging Group, such as group management costs and costs arising from operating as a listed company. The figures for 2024 have been restated to reflect the current reporting structure.

1-9/2025, MEUR	Circular Economy Business	Unallocated items and eliminations	New Lassila & Tikanoja
External net sales	315.5		315.5
Inter-division net sales	0.0	-0.0	-
Net sales	315.5	0.0	315.5
Materials and services	-89.7	0.0	-89.7
Employee benefit expenses	-101.7	-4.7	-106.4
Other operating expenses	-61.4	1.7	-59.7
Operating profit	33.3	-3.3	30.0
Items affecting comparability[1]	-2.2	2.4	
Adjusted operating profit	31.1	-0.9	
Financial income and expenses			-3.6
Share of the result of associated companies and joint ventures			1.0
Result before taxes			27.5
Income taxes			-4.9
Result for the period			22.5
Capital employed	317.4	18.7	
Gross capital expenditure	24.7	0.4	
Depreciation, amortisation and impairments	33.5	0.3	33.7

1-9/2024, MEUR	Circular Economy Business	Unallocated items and eliminations	New Lassila & Tikanoja
External net sales	318.5	-	318.5
Inter-division net sales	0.1	-0.1	-
Net sales	318.6	-0.1	318.5
Materials and services	-91.7	0.0	-91.7
Employee benefit expenses	-101.6	-3.8	-105.4
Other operating expenses	-62.2	3.2	-59.0
Operating profit	32.4	-0.6	31.8
Items affecting comparability[1]	0.6	0.5	
Adjusted operating profit	33.0	-0.1	
Financial income and expenses			-3.3
Share of the result of associated companies and joint ventures			2.3
Result before taxes			30.8
Income taxes			-5.8
Result for the period			25.0
Capital employed	309.3	17.5	
Gross capital expenditure	28.2	0.2	
Depreciation, amortisation and impairments	32.1	0.2	32.3

1-12/2024, MEUR	Circular Economy Business	Unallocated items and eliminations	New Lassila & Tikanoja
External net sales	423.9	-	423.9
Inter-division net sales	0.1	-0.1	-
Net sales	424.0	-0.1	423.9
Materials and services	-123.6	0.0	-123.6
Employee benefit expenses	-135.3	-5.1	-140.3
Other operating expenses	-82.9	4.1	-78.8
Operating profit	41.2	-0.8	40.5
Items affecting comparability[1]	1.6	0.6	
Adjusted operating profit	42.8	-0.2	
Financial income and expenses			-4.7
Share of the result of associated companies and joint ventures			3.2
Result before taxes			38.9
Income taxes			-7.4
Result for the period			31.5
Capital employed	299.7	21.7	
Gross capital expenditure	35.9	0.3	
Depreciation, amortisation and impairments	43.1	0.3	43.4

[1] Items affecting comparability mainly include expenses related to business acquisitions, including changes in the fair value of the deferred consideration related to the acquisition of Sand & Vattenblästi Tyringe AB ("SVB"), as well as expenses related to business restructurings. In January - September 2025, the items affecting comparability include expenses relating to the Demerger totalling EUR 1.8 million. Further information on the valuation of the deferred consideration related to SVB is presented in note 9. Financial assets and liabilities.

4. Net sales

Disaggregation of revenue

Net sales consist of services for which revenue is recognised over time, products for which revenue is recognised at a point in time as well as lease income. Services for which revenue is recognised over time include sales revenue from long-term service agreements, separately ordered services and the project business. Services for which revenue is recognised at a point in time include revenue from the sale of equipment and materials.

MEUR	1-9/2025	1-9/2024	1-12/2024
Long-term service agreements	212.1	218.0	289.4
Separately ordered services	53.1	48.8	66.0
Project business	7.1	7.9	9.9
Sales of equipment and materials	40.6	41.2	55.1
Lease income	2.6	2.7	3.5
Total net sales	315.5	318.5	423.9

Net sales by country

MEUR	1-9/2025	1-9/2024	1-12/2024
Finland	293.1	293.9	393.3
Sweden	15.8	16.5	21.2
Other countries	6.6	8.1	9.4
Total net sales	315.5	318.5	423.9

5. Business acquisitions

Business acquisitions 2025

On June 2, 2025, New Lassila & Tikanoja company L&T Ympäristöpalvelut Oy acquired the pallet business of Stena Recycling Oy. The annual net sales of the business has been approximately EUR 10 million. The acquisition strengthens the New Lassila & Tikanoja's service offering and supports the growth of its circular economy business in line with the Lassila & Tikanoja's growth strategy. As a result of the business acquisition, the New Lassila & Tikanoja's pallet business will employ just over 30 people across four locations. In the fair value measurement, intangible assets based on customer relationships amounting to EUR 3.7 million and goodwill amounting to EUR 3.4 million were identified. Goodwill is primarily based on a broader service network, a stronger service offering, and future development prospects. The goodwill is tax-deductible.

In the reporting period, the business acquisition had an EUR 3.9 million impact on the New Lassila & Tikanoja’s net sales and EUR 0.5 million on operating profit. If the acquisition had been completed on 1 January 2025, the New Lassila & Tikanoja's net sales would have been approximately EUR 320.4 million and operating profit approximately EUR 30.4 million. In the reporting period, transaction costs totalling EUR 0.1 million (in 2024: 0.2) related to the acquisition were recognised in other operating expenses.

Business acquisitions 2024

On 1 February 2024, the New Lassila & Tikanoja acquired all of the shares of PF Industriservice AB, a company that provides process cleaning services in Sweden. Through the acquisition, the New Lassila & Tikanoja's process cleaning services business expanded to the Gävleborg area in Sweden. In the fair value measurement, intangible assets based on customer relationships with a value of EUR 0.7 million, as well as goodwill with a value of EUR 0.8 million were identified. The goodwill is mainly based on the regional position of the acquired business and its future development prospects.

On 1 July 2024, New Lassila & Tikanoja company L&T Ympäristöpalvelut Oy acquired the rest 60 per cent of the shares of Suomen Keräystuote Oy. Previously Suomen Keräystuote Oy was an associated company, of which the New Lassila & Tikanoja's ownership was 40 per cent. The transaction does not have a significant impact on the New Lassila & Tikanoja's figures.

In 2024, business acquisitions had an EUR 2.6 million impact on the New Lassila & Tikanoja’s net sales for the financial period and EUR 0.2 million on operating profit. If the acquisitions in 2024 had been completed on 1 January 2024, the New Lassila & Tikanoja's net sales would have been approximately EUR 424.0 million and operating profit approximately EUR 40.5 million. In 2024, expenses totalling EUR 0.1 million related to the acquisitions were recognised in the income statement.

Business acquisitions, fair value total, MEUR	1-9/2025	1-9/2024	1-12/2024
Intangible assets	3.8	0.7	0.7
Property, plant and equipment	0.4	0.4	0.4
Right-of-use assets	0.9	0.1	0.1
Inventories	0.5	-	-
Receivables	-	0.2	0.2
Cash and cash equivalents	-	0.5	0.5
Total assets	5.6	1.9	1.9
Other liabilities	1.0	0.4	0.4
Deferred tax liabilities	-	0.2	0.2
Total liabilities	1.0	0.6	0.6
Net assets acquired	4.6	1.2	1.2
Total consideration	8.0	2.1	2.1
Goodwill	3.4	0.8	0.8
Impact on cash flow			
Consideration paid in cash	-8.0	-2.1	-2.1
Cash and cash equivalents of the acquired company	-	0.5	0.5
Total impact on cash flow	-8.0	-1.6	-1.6

The figures for such acquired businesses, that are not material when considered separately, are stated in aggregate.

6. Intangible and tangible assets

Changes in goodwill

MEUR	1-9/2025	1-9/2024	1-12/2024
Carrying amount at the beginning of the period	118.8	118.2	118.2
Business acquisitions	3.4	0.8	0.8
Exchange differences	0.3	-0.1	-0.3
Carrying amount at the end of the period	122.5	118.9	118.8

Changes in other intangible assets

MEUR	1-9/2025	1-9/2024	1-12/2024
Carrying amount at the beginning of the period	35.1	28.6	28.6
Business acquisitions	3.8	0.7	0.7
Other capital expenditure	1.4	7.2	9.3
Disposals	-0.0	-0.0	-0.0
Amortisation and impairment	-3.4	-2.5	-3.4
Exchange differences	0.1	-0.0	-0.1
Carrying amount at the end of the period	37.0	33.9	35.1

Changes in tangible assets

MEUR	1-9/2025	1-9/2024	1-12/2024
Carrying amount at the beginning of the period	155.3	153.1	153.1
Business acquisitions	0.4	0.4	0.4
Other capital expenditure	13.3	21.6	28.7
Disposals	-0.3	-0.2	-1.3
Depreciation and impairment	-20.0	-18.7	-25.5
Exchange differences	0.3	-0.1	-0.2
Carrying amount at the end of the period	148.9	156.1	155.3

Changes in right-of-use assets

MEUR	1-9/2025	1-9/2024	1-12/2024
Carrying amount at the beginning of the period	54.8	60.7	60.7
Business acquisitions	1.0	0.1	0.1
Other capital expenditure	8.2	10.2	12.4
Disposals	-1.7	-2.5	-3.9
Depreciation and impairment	-10.3	-11.1	-14.5
Exchange differences	0.1	-0.0	-0.0
Carrying amount at the end of the period	52.0	57.4	54.8

Capital expenditure for intangible assets are mainly related to information systems. Capital expenditure for tangible assets and right-of-use assets are mainly related to machine and equipment purchases. No impairments were recognised during the reporting period or the comparative periods.

7. Capital commitments

MEUR	30 Sep 2025	30 Sep 2024	31 Dec 2024
Intangible assets	-	1.3	0.1
Tangible assets	8.6	8.7	8.6
Total	8.6	10.0	8.6

Capital commitments for intangible assets are mainly related to information systems. Capital commitments for tangible assets are mainly related to machine and equipment purchases.

8. Provisions

Obligations covered by the environmental provisions

The New Lassila & Tikanoja has leased site that it uses as landfill from the city of Kotka. In Varkaus the New Lassila & Tikanoja uses a site for intermediate storing, processing and final disposal of contaminated soil. At the expiry of the leases or at the discontinuation of operations, the New Lassila & Tikanoja is responsible for site restoration comprising landscaping and post-closure environmental monitoring called for in the terms and conditions of environmental permits.

The Munaistenmetsä landfill site in Uusikaupunki serves as a final disposal area for municipal waste, contaminated soil and industrial by-products. The hazardous waste landfill area, in accordance with the new environmental permit, is now in production use and has begun receiving waste.

The material recycling centre in the landfill area in Oulu receives, processes and recovers various types of waste and side streams, such as industrial waste, contaminated soil, construction and demolition waste as well as municipal waste.

The landfill area in Pori receives and processes gypsum, construction and demolition waste as well as contaminated soil and other smaller items. The application prepared for the new environmental permit is under review by the Regional State Administrative Agency. A decision on the environmental permit is expected by the end of 2025. The application seeks extensive reception and handling operations for both non-hazardous and hazardous waste. For the new site, an environmental provision is recognised once the site is in production use.

Other provisions

Other provisions consist mainly of provisions for restructuring as well as restoration provisions for leased premises.

Provisions in the statement of financial position

MEUR	30 Sep 2025	30 Sep 2024	31 Dec 2024
Non-current provisions	6.5	6.7	6.3
Current provisions	0.2	-	0.6
Total	6.7	6.7	6.9

Changes in provisions

MEUR	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2025	6.3	0.6	6.9
Additions	0.5	-	0.5
Used during the year	-0.2	-0.3	-0.5
Reversals	-	-0.1	-0.1
Effect of discounting	-0.1	-	-0.1
Provisions at 30 Sep 2025	6.5	0.2	6.7

MEUR	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2024	7.2	0.1	7.2
Used during the year	-0.2	-0.1	-0.3
Effect of discounting	-0.3	-	-0.3
Provisions at 30 Sep 2024	6.7	0.0	6.7

MEUR	Environmental provisions	Other provisions	Total
Provisions at 1 Jan 2024	7.2	0.1	7.2
Additions	0.6	0.6	1.2
Used during the year	-0.4	-0.1	-0.5
Effect of discounting	-1.0	-	-1.0
Provisions at 31 Dec 2024	6.3	0.6	6.9

9. Financial assets and liabilities

The external loans of the Demerging Company have not been included in this carve-out financial information of the New Lassila & Tikanoja.

The following table shows the New Lassila & Tikanoja's financial liabilities classified according to contractual maturity dates at the balance sheet date. The figures shown are undiscounted contractual cash flows.

Maturity of financial liabilities

MEUR 30 September 2025	Carrying amount	Contractual cash flows	10-12/ 2025	1-12/ 2026	1-12/ 2027	1-12/ 2028	1-12/ 2029	2030 and later
Borrowings	0.5	0.5	0.1	0.3	0.1	0.0	-	-
Cash pool liabilities to related parties	35.2	35.2	35.2	-	-	-	-	-
Lease liabilities	54.2	58.5	3.9	12.5	8.3	7.0	6.4	20.4
Deferred consideration	4.8	4.8	-	4.8	-	-	-	-
Trade and other payables	37.2	37.2	37.2	-	-	-	-	-
Total	131.8	136.1	76.4	17.6	8.4	7.0	6.4	20.4

Financial assets and liabilities by category

30 Sep 2025, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets				
Other receivables	0.4		0.4	
Current financial assets				
Trade and other receivables	63.4		63.4	
Cash pool receivables from related parties	0.1		0.1	
Cash and cash equivalents	1.5		1.5	
Total financial assets	65.3	-	65.3	
Non-current financial liabilities				
Borrowings	0.1		0.1	2
Lease liabilities	43.3		43.3	
Current financial liabilities				
Borrowings	0.3		0.3	2
Cash pool liabilities to related parties	35.2		35.2	
Lease liabilities	10.9		10.9	
Deferred consideration		4.8	4.8	3
Trade and other payables	37.2		37.2	
Total financial liabilities	127.0	4.8	131.8	

30 Sep 2024, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets				
Other receivables	0.4		0.4	
Current financial assets				
Trade and other receivables	57.7		57.7	
Cash and cash equivalents	0.9		0.9	
Total financial assets	59.0	-	59.0	
Non-current financial liabilities				
Borrowings	0.3		0.3	2
Lease liabilities	47.4		47.4	
Deferred consideration		6.2	6.2	3
Current financial liabilities				
Borrowings	0.7		0.7	2
Cash pool liabilities to related parties	21.8		21.8	
Lease liabilities	12.1		12.1	
Trade and other payables	36.7		36.7	
Total financial liabilities	118.9	6.2	125.0	

31 Dec 2024, MEUR	Amortised cost	Fair value through profit or loss	Carrying amounts by balance sheet item	Fair value hierarchy level
Non-current financial assets				
Other receivables	0.4		0.4	
Current financial assets				
Trade and other receivables	49.6		49.6	
Cash pool receivables from related parties	0.1		0.1	
Cash and cash equivalents	1.9		1.9	
Total financial assets	52.0	-	52.0	
Non-current financial liabilities				
Borrowings	0.3		0.3	2
Lease liabilities	45.2		45.2	
Deferred consideration		6.7	6.7	3
Current financial liabilities				
Borrowings	0.5		0.5	2
Cash pool liabilities to related parties	11.6		11.6	
Lease liabilities	11.7		11.7	
Trade and other payables	35.2		35.2	
Total financial liabilities	104.6	6.7	111.3	

Trade and other receivables do not include tax receivables and accruals, and trade and other payables do not include statutory liabilities (e.g. tax liabilities), accrued expenses and deferred income. The fair values of balance sheet items do not differ significantly from the carrying amounts of the balance sheet items.

Reconciliation of financial liabilities recognised at fair value according to the level 3

MEUR	1-9/2025	1-9/2024	1-12/2024
Carrying amount 1 Jan	6.7	5.9	5.9
Change in fair value	-2.2	0.3	1.0
Exchange differences	0.2	-0.1	-0.2
Carrying amount 31 Dec	4.8	6.2	6.7

Deferred consideration is related to the acquisition of 70 per cent share of Sand & Vattenbläst i Tyringe AB ("SVB") that offers process cleaning services in Sweden. The acquisition took place on 1 February 2022. SVB is consolidated with 100 per cent share in the New Lassila & Tikanoja and, in connection with the arrangement, the New Lassila & Tikanoja has recognised in financial liabilities an estimate of the deferred consideration for the acquisition. The deferred consideration relates to the acquisition of non-controlling interest and is measured at fair value, which is reflected in the present value of the estimated liability. It will mature on 1 February 2026 at the earliest.

The valuation of the deferred consideration is based on the shareholder agreement and is affected by the acquired company's balance sheet structure and EBITDA forecast for 2025.

Financing arrangements that will be transferred to the New Lassila & Tikanoja in the Demerger
The external loans of the Demerging Company have not been included in this carve-out financial information of the New Lassila & Tikanoja. In accordance with the Demerger Plan and the loan terms, the following financing arrangements of the Demerging Company will transfer to the New Lassila & Tikanoja as part of the Demerger: EUR 75 million unsecured notes, EUR 35 million and EUR 15 million term loans, and a EUR 40 million revolving credit facility.

The unsecured notes will mature in the second quarter of 2028 and bear fixed annual interest at the rate of 3.375 per cent. The notes are linked to sustainability targets, which include reducing the company's own greenhouse gas emissions (Scope 1 and 2) and decreasing subcontractors' fuel usage in transportation (Scope 3).

The EUR 35 million and EUR 15 million term loans as well as the EUR 40 million revolving credit facility will mature in the second quarter of 2028, with a two-year extension option included in the agreements. The financing arrangements include following financial covenants: equity ratio and net debt to EBITDA ratio. Compliance with the covenant terms is monitored on a quarterly basis.

10. Related-party transactions

Related parties of the New Lassila & Tikanoja include the subsidiaries belonging to the New Lassila & Tikanoja, the Demerging Company and its subsidiaries, the associated company (Suomen Keräystuote Oy until 1 July 2024), the joint venture (Laania Oy), and the L&T Sickness Fund. Related parties also comprise the New Lassila & Tikanoja's as well as the Demerging Group's key management personnel (members of the Board of Directors, the CEO, and members of the management team), their close family members and entities under their control.

The contributions paid by the New Lassila & Tikanoja companies to the L&T sickness fund during the reporting period amounted to EUR 0.4 million (0.4).

No loans were granted and no guarantees nor other securities given to persons belonging to the related parties of the New Lassila & Tikanoja.

Transactions with the Demerging Group

The New Lassila & Tikanoja's business transactions with the Demerging Group are presented in the following table. Transactions with the Demerging Group are conducted at arm's lenght prices.

MEUR	1-9/2025	1-9/2024	2024
Net sales	0.4	0.5	1.0
Purchases of materials and services	-0.2	-0.1	-0.2
Other operating expenses	-0.4	-0.6	-0.8
Financial income	0.1	0.0	0.1
Financial expenses	-1.7	-1.4	-1.7
Cash pool receivables	0.1	0.0	0.1
Trade and other receivables	0.0	0.1	0.3
Cash pool liabilities	35.2	21.8	11.6
Trade and other payables	0.1	0.2	0.1

Sales by the New Lassila & Tikanoja to companies belonging to the Demerging Group consist of items typical of ordinary business operations, such as subcontracting services and sales of materials and supplies. Purchases and other operating expenses mainly comprise subcontracting service fees and other service purchases. Financial income and expenses consist of interest related to cash pool receivables and liabilities. Trade and other receivables as well as trade and other payables consist of items arising from ordinary business operations.

Transactions with the joint venture

The New Lassila & Tikanoja's business transactions with Laania Oy are presented in the following table. The Demerging Group has also provided guarantees for Laania's financing arrangements. These guarantees will transfer to the New Lassila & Tikanoja in accordance with the demerger plan and have been allocated to the New Lassila & Tikanoja in this carve-out interim financial information and are specified in note 11. Commitments and contingent liabilities. In 2025, Laania paid dividends totalling EUR 1.6 million (1.8) to the New Lassila & Tikanoja.

MEUR	1-9/2025	1-9/2024	2024
Net sales	2.3	2.6	3.1
Purchases of materials and services	-0.6	-0.7	-0.9
Trade and other receivables	0.0	0.1	0.0
Trade payables and other liabilities	0.0	-	-

Management remuneration

The table below presents the portion of costs allocated to the New Lassila & Tikanoja from key management personnel of the Demerging Company for the preparation of the carve-out financial information, reflecting management's contribution to the New Lassila & Tikanoja's business. The allocation key used is a relevant identifier for each corporate function, such as revenue or headcount.

TEUR	1-9/2025	1-9/2024	2024
Salaries and other short-term employee benefits	865.2	760.7	990.3
Bonuses	133.5	124.9	124.9
Termination benefits	-	457.4	494.7
Share-based payments	73.5	193.9	193.9
Pension expenses, statutory	76.3	83.4	104.2
Total	1,148.6	1,620.3	1,908.0

During the first quarter of 2025, a total of 894 shares of the Demerging Company were transferred from share-based incentive schemes to the management of the Circular Economy business of the New Lassila & Tikanoja, which had been part of the Demerging Group's executive team, and a cash portion equivalent to the value of 894 shares of the Demerging Company was also paid.

In addition, the carve-out financial information include an allocation of salaries and remunerations paid to the members of the Demerging Company's Board of Directors EUR 203 thousand (176) during the reporting period.

The New Lassila & Tikanoja has not operated as an independent public limited company during the presented financial periods; therefore, the figures shown above should not be considered indicative of the future remuneration of key management personnel of the New Lassila & Tikanoja.

The New Lassila & Tikanoja has not had any significant related party transactions other than those presented above.

11. Commitments and contingent liabilities

MEUR	30 Sep 2025	30 Sep 2024	31 Dec 2024
Collaterals for own commitments			
Company mortgages	0.5	0.5	0.5
Other securities	0.0	0.0	0.0
Bank guarantees required for environmental permits	27.3	25.2	25.0
Other bank guarantees	7.1	6.3	5.7
Liabilities on behalf of the joint venture			
Account limit	-	2.8	-
Bank guarantees	16.5	16.5	16.5
Term loan facility guarantee	-	11.0	-
Revolving credit facility	-	5.5	-
Future lease payments			
Within one year	0.0	0.0	0.0
Over one year	0.0	0.0	0.0

The New Lassila & Tikanoja has a 55% holding in Laania Oy, a joint venture established on 1 July 2022 together with Neova. The amount of the liabilities on behalf of the joint venture is disclosed as the New Lassila & Tikanoja’s share of the maximum amount of liability, in relation to the New Lassila & Tikanoja's holding.

Future lease payments consist of minimum leasing commitments related to lease agreements for low-value assets, to which the New Lassila & Tikanoja has elected to apply recognition exemption permitted by IFRS 16.

The New Lassila & Tikanoja is involved in a few disputes related to the ordinary business operations, the outcomes of which are not expected to have a material impact on the New Lassila & Tikanoja’s financial position.

12. Events after the reporting period

On 10 October 2025, the Demerging Company published a notice of an Extraordinary General Meeting to be held on Thursday, 4 December 2025, starting at 4:00 PM (Finnish time) at Valkea Talo, Ilkantie 4, Haaga, 00400 Helsinki. The agenda of the General Meeting includes the approval of the demerger plan announced by the company on 7 August 2025, and the decision on the partial demerger. Detailed information on the matters to be discussed at the General Meeting has been provided in a stock exchange release of the Demerging Company dated 10 October 2025.

ANNEX A— DEMERGER PLAN

Demerger Plan

The Board of Directors of the company currently registered as Lassila & Tikanoja Oyj (the "**Demerging Company**") proposes to the General Meeting of the Demerging Company that the General Meeting would resolve upon the partial demerger of the Demerging Company, so that all assets, debts, and liabilities of the Demerging Company relating to the circular economy business area or mainly serving the circular economy business area of the Demerging Company, as described below in more detail (the "**Circular Economy Business Area**") be transferred without a liquidation procedure to a company to be incorporated in the demerger (the "**Receiving Company**"), as set forth in this demerger plan (the "**Demerger Plan**") (the "**Demerger**").

In connection with the Demerger, the Receiving Company is proposed to be named Lassila & Tikanoja Oyj. The Demerging Company is proposed to be named Luotea Oyj, as set forth in Section 3.1 of this Demerger Plan.

As demerger consideration, the shareholders of the Demerging Company will receive new shares of the Receiving Company in proportion to their existing shareholdings. The Demerging Company shall not be dissolved as a result of the Demerger.

The planned date of registration of the completion of the Demerger (the "**Effective Date**") is on or about 31 December 2025, as set forth in in Section 21 of the Demerger Plan. The actual Effective Date may yet change from the aforesaid date.

The Demerger shall be carried out in accordance with Chapter 17 of the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended) as a tax-neutral demerger, of which the Demerging Company has received a legally binding advance ruling from the Finnish Tax Administration.

1 Companies Participating in the Demerger

1.1 Demerging Company

Company name:	Lassila & Tikanoja Oyj
Proposed company name:	Luotea Oyj
Business ID:	1680140-0
Address:	Kutomotie 2, 00380 Helsinki
Domicile:	Helsinki, Finland

The Demerging Company is a public limited liability company, the shares of which are traded on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**").

1.2 Receiving Company

Future company name:	Lassila & Tikanoja Oyj
Business ID:	To be issued after the registration of the Demerger Plan
Address:	Valimotie 16, 00380 Helsinki
Domicile:	Helsinki, Finland

The Receiving Company is a public limited liability company to be incorporated as a result of the Demerger, whose shares are intended to primarily apply for listing on the official list of Nasdaq Helsinki.

The Demerging Company and the Receiving Company are hereinafter jointly referred to as the "**Parties**" or the "**Companies Participating in the Demerger**".

2 Reasons for the Demerger

The purpose of the partial demerger of the Demerging Company is to carry out the separation of the Demerging Company's core businesses circular economy businesses and facility services businesses into two standalone companies. As a part of this arrangement, the Receiving Company will be listed as a new publicly listed company. According to the assessment of the Board of Directors of the Demerging Company, separating the Circular Economy and Facility Service business areas could increase shareholder value by enabling each business to more effectively execute its own focused strategies and growth opportunities.

According to the assessment of the Board of Directors of the Demerging Company, the Demerger is expected to enhance the performance of Receiving Company's and the Demerging Company's businesses through improved agility, independent decision-making and stronger management focus. As two separate entities, the Receiving Company and the Demerging Company are also positioned to grow faster, both organically and inorganically, thanks to a more efficient capital allocation strategy.

The Board of Directors of the Demerging Company believes that demerging into two separate companies would increase the attractiveness of the companies and facilitate the valuation of the businesses. Additionally, the separation would clarify management, simplify company structures, increase transparency and clarify responsibilities.

3 Proposals for the Articles of Association of the Demerging Company and the Receiving Company

3.1 Articles of Association of the Demerging Company

It is proposed to the General Meeting of the Demerging Company resolving on the Demerger, that the Articles of Association of the Demerging Company be amended upon the registration of the completion of the Demerger.

Given that the Receiving Company is proposed to be named Lassila & Tikanoja Oyj (as set forth in Section 3.2 of this Demerger Plan), the Board of Directors of the Demerging Company intends to propose to the General Meeting of the Demerging Company to be convened prior to the Effective Date that the Articles of Association of the Demerging Company be amended to adopt a new company name and an English parallel company name (in Finnish: *rinnakkaistoiminimi*) for the Demerging Company. The proposed new company name is expected to be Luotea Oyj and the parallel company name Luotea Plc.

A proposal for the Articles of Association of the Demerging Company, which shall enter into force upon the registration of the completion of the Demerger on the Effective Date, is contained in **Appendix 1** of this Demerger Plan.

The Demerger process does not limit the authority of the General Meeting of the Demerging Company to resolve on any other amendments to the Articles of Association of the Demerging Company.

3.2 Articles of Association of the Receiving Company

A proposal for the Articles of Association of the Receiving Company, which shall enter into force upon the registration of the completion of the Demerger on the Effective Date, is contained in **Appendix 2** of this Demerger Plan.

4 Proposals for the Appointment of Members of Administrative Bodies of the Receiving Company

4.1 Board of Directors and Auditor of the Receiving Company and Their Remuneration

The Board of Directors of the Demerging Company shall make proposals to the General Meeting resolving on the Demerger concerning the confirmation of the number of members of the Board of Directors, the election of the members of the Board of Directors and the auditor of the Receiving Company as well as their remuneration. The above-mentioned proposals shall not be binding on the General Meeting of the Demerging Company resolving on the Demerger.

According to the proposed Articles of Association of the Receiving Company, the Receiving Company shall have a Board of Directors comprising of a minimum of three (3) and a maximum of eight (8) members. According to the Articles of Association of the Receiving Company, the Board members' term of office expires at the end of the next Annual General Meeting following their election.

The number of the members of the Board of Directors of the Receiving Company shall be confirmed and the members of the Board of Directors shall be elected by the General Meeting of the Demerging Company resolving on the Demerger. Should there exist a need to amend the resolutions made by the General Meeting prior to the Effective Date, the Demerging Company may convene a new General Meeting to resolve on the amendments.

The Board of Directors of the Demerging Company proposes, on the recommendation of the Shareholders' Nomination Board, that Jukka Leinonen be elected as Chair of the Board of Directors, that Sakari Lassila be elected as Vice Chair of the Board of Directors, and that Tuija Kalpala, Teemu Kangas-Kärki and Anna-Maria Tuominen-Reini be elected as members of the Board of Directors of the Receiving Company.

The term of such members of the Board of Directors shall commence on the Effective Date and expire at the end of the first Annual General Meeting of the Receiving Company following the Effective Date. The directorship in the Demerging Company of such then current members of the Board of Directors of the Demerging Company that are elected as members of the Board of Directors of the Receiving Company will end on the Effective Date.

The Board of Directors of the Demerging Company may amend its proposal concerning the composition of the Board of Directors of the Receiving Company if a proposed member of the Board of Directors withdraws their consent or otherwise must be replaced by another person.

According to the proposed Articles of Association of the Receiving Company, the Receiving Company's auditor must be an audit firm, and the principal auditor appointed by the audit firm must be an Authorised Public Accountant (in Finnish: *KHT-tilintarkastaja*). The Receiving Company's auditor is elected by the General Meeting of the Demerging Company resolving on the Demerger. The resolution may be amended by a later General Meeting of the Demerging Company prior to the Effective Date, if necessary.

According to the proposed Articles of Association of the Receiving Company, the Receiving Company's verifier of the Receiving Company's sustainability report must be a sustainability audit firm, and the principal verifier appointed by the firm must be an Authorised Sustainability Auditor (in Finnish: *KRT-tarkastaja*). The Receiving Company's verifier of the sustainability report is elected by the General Meeting of the Demerging Company resolving on the Demerger. The resolution may be amended by a later General Meeting of the Demerging Company prior to the Effective Date, if necessary.

Resolutions on the remuneration of the Receiving Company's Board of Directors, auditor, and sustainability reporting assurance provider, will be made by the General Meeting of the Demerging Company resolving on the Demerger. The Receiving Company shall be solely responsible for paying the remuneration of the Receiving Company's Board of Directors, auditor, and verifier of the sustainability report, and all other costs and liabilities related thereto also as regards the remuneration or any cost or liability that may potentially relate wholly or partially to the period preceding the Effective Date.

4.2 President and CEO of the Receiving Company

The President and CEO of the Receiving Company shall be appointed by the Board of Directors of the Demerging Company prior to the completion of the Demerger.

A President and CEO's service agreement, which will be consistent with customary practice, shall be entered into with the person appointed as the President and CEO of the Receiving Company. Said President and CEO's service agreement, together with all of the rights and obligations thereunder, shall transfer to the Receiving Company on the Effective Date. The Receiving Company shall be solely responsible for paying the remuneration and all other costs and liabilities related to the President and CEO as set out in said President and CEO's service agreement, including with regard to such remuneration, cost or liability that may relate wholly or partially to the period preceding the Effective Date.

Eero Hautaniemi has been proposed to be appointed as the President and CEO of the Receiving Company, should the Demerger be executed. In the event that the President and CEO of the Receiving Company resigns, is dismissed or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of the Demerging Company shall have the right to appoint a new President and CEO of the Receiving Company up until the Effective Date. Thereafter, the Board of Directors of the Receiving Company has the right to appoint the President and CEO of the Receiving Company.

5 Demerger Consideration and Timing of Its Issue

5.1 Demerger Consideration

The shareholders of the Demerging Company shall receive as demerger consideration one (1) new share in the Receiving Company for each share owned in the Demerging Company (the "**Demerger Consideration**"), that is, the Demerger Consideration will be issued to the shareholders of the Demerging Company in proportion to their existing shareholding with a ratio of 1:1. There will be a corresponding one (1) share class in the Receiving Company as in the Demerging Company, and the shares of the Receiving Company will not have a nominal value.

No other consideration will be issued to the shareholders of the Demerging Company in addition to the above-mentioned Demerger Consideration to be issued in the form of shares in the Receiving Company.

In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued to any treasury shares held by the Demerging Company.

5.2 Timing of Issue of the Demerger Consideration

The Demerger Consideration will be issued to the shareholders of the Demerging Company on the Effective Date or as soon as possible thereafter. The Demerger Consideration will be issued through the book-entry securities system maintained by Euroclear Finland Oy, in such manner that the shares issued by the Receiving Company are issued using the ratio specified in this Demerger Plan based on the number of shares issued by the Demerging Company and registered in the book-entry accounts of the Demerging Company's shareholders on the Effective Date. The Demerger Consideration will be distributed automatically, and no action is required from the shareholders of the Demerging Company in relation thereto.

The allocation of the Demerger Consideration is based on the shareholding in the Demerging Company on the Effective Date. The final total number of shares in the Receiving Company issued as Demerger Consideration will be determined based on the number of shares in the Demerging Company held by shareholders, other than the Demerging Company itself, on the Effective Date. On the date of this Demerger Plan, the Demerging Company holds 587,150 of its own shares as treasury shares. According to the situation as at the date of this Demerger Plan, the total number of shares in the Receiving Company to be issued as Demerger Consideration would therefore be 38,211,724 shares. The final total number of shares may be affected by, among other things, any change concerning the shares issued by the Demerging Company, including, for example, the Demerging Company issuing new shares or acquiring its own shares prior to the Effective Date. Shares may be transferred prior to the Effective Date for instance in order to pay share rewards in accordance with share-based incentive plans referred to in Section 7.

6 Option Rights and Other Special Rights Entitling to Shares

The Demerging Company has not issued any option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act that would entitle their holder to subscribe for shares in the Demerging Company.

7 Share-Based Incentive Plans of the Demerging Company

The Demerging Company has the following share-based incentive plan under which share rewards remain to be paid on the date of this Demerger Plan:

- Performance-based share incentive plan 2023–2027, which includes three-year performance periods 2023–2025, 2024–2026, and 2025–2027 (the "**Performance Share Plan**"). During the performance periods, performance is measured based on the criteria set by the Demerging Company. The value of the rewards payable based on the ongoing performance periods corresponds to a maximum of 649,152 shares of the Demerging Company. The rewards payable based on the performance periods will be paid no later than five months after the end of the performance period in a combination of shares and cash.

The Board of Directors of the Demerging Company has resolved on the effects of the Demerger on the Performance Share Plan's performance periods in accordance with the terms of the Performance Share Plan. For the 2023–2025 performance period of the Performance Share Plan, the result is calculated as per the number of the Demerging Company's shares and confirmed in euros. The reward amount earned in euros is converted into shares of the Performance Share Plan participant's employer company at the time of payment.

Upon the completion of the Demerger, the Receiving Company intends to continue the Demerging Company's existing Performance Share Plan on substantially the same terms, but with the amendment that the rewards will be in Receiving Company's shares instead of the Demerging Company's shares and the rewards payable expressed in number of Receiving Company's shares will be adjusted accordingly. The rewards payable under the current Performance Share Plan for the performance periods 2024–2026 and 2025–2027 will be converted into the Receiving Company's shares based on the formation of the price of the Receiving Company's shares after the listing of the Receiving Company.

The Board of Directors of the Demerging Company and the Board of Directors of the Receiving Company shall separately resolve on any other effects of the Demerger on the details of the performance periods 2024–2026 and 2025–2027 of the Performance Share Plan, such as performance criteria after the implementation of the Demerger.

8 Other Consideration

Apart from the Demerger Consideration to be issued in the form of new shares in the Receiving Company, as set forth in Section 5 above, no other consideration will be distributed to the shareholders of the Demerging Company.

9 Share Capital of the Receiving Company

The share capital of the Receiving Company will be EUR 80,000.00.

10 Assets, Liabilities and Equity of the Demerging Company and Circumstances Impacting Their Valuation

The description of assets, liabilities, and equity of the Demerging Company as at 30 June 2025 is set forth in the unaudited balance sheet of the Demerging Company as at 30 June 2025, which is contained in **Appendix 3** of this Demerger Plan.

The assets and liabilities on the balance sheet of the Demerging Company have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (the "**Finnish Accounting Act**") and good accounting practice. There have been no substantial changes in the financial status or the liabilities of the Demerging Company between the aforementioned date of the balance sheet and the date of this Demerger Plan.

11 Allocation of the Demerging Company's Assets and Liabilities Between Companies Participating in the Demerger, Intended Effect of the Demerger on the Balance Sheet of the Receiving Company and Accounting Methods Applied in the Demerger

11.1 Assets and Liabilities Transferring to the Receiving Company

In the Demerger, the Demerging Company's Circular Economy Business Area , that is, all such (including known, unknown, and conditional) assets, debts, and liabilities (including agreements, offers, offer requests, and undertakings) of the Demerging Company existing on the Effective Date that belong to the Demerging Company's Circular Economy Business Area, and any items that replace or substitute such items, as well as certain general assets and liabilities of the Demerging Company, shall transfer to the Receiving Company. Said general assets and liabilities shall be allocated primarily in accordance with the principle of primacy, i.e. in accordance with which company's business it primarily relates to, or according to the employee utilising the asset in question. In addition to the assets recorded on the balance sheet, off-balance-sheet business value, which includes, among other things, customer relationships and employee expertise will also be transferred to the Receiving Company.

A proposal regarding the allocation of the Demerging Company's assets, debts, and liabilities to the Receiving Company in accordance with this Demerger Plan is presented in the preliminary presentation of the balance sheets of the Demerging Company and the Receiving Company contained in **Appendix 3** of this Demerger Plan.

The figures contained in **Appendix 3** are based on the unaudited financial information of the Demerging Company for the six-month period ended 30 June 2025. The final effect of the Demerger on the balance sheets of the Companies Participating in the Demerger will be determined based on the situation on the Effective Date. The assets, debts, and liabilities transferring to the Receiving Company include, among other things, the following most significant items:

(a) All shares in the Demerging Company's directly owned subsidiaries belonging to the Circular Economy Business Area, as well as the direct and indirect subsidiaries of such companies (including any subsidiaries belonging to the Circular Economy Business Area that may be transferred, incorporated or registered between the signing date of this Demerger Plan and the Effective Date), including the following companies and their subsidiaries:

(i) L&T Ympäristöpalvelut Oy;

(ii) L&T Teollisuuspalvelut Oy;

(iii) Suomen Keräystuote Oy; and

(iv) Sand & Vattenbläst i Tyringe AB.

(b) The shares in the joint venture Laania Oy directly owned by the Demerging Company and belonging to the Circular Economy Business Area, and.

(c) The Demerging Company's receivables from subsidiaries transferring to the Receiving Company, and their direct and indirect subsidiaries as well as the Demerging Company's liabilities to such entities, to the extent that they relate to the Demerging Company's group cash pool arrangements. The Receiving Company shall receive such portion of the cash and cash equivalents of the Demerging Company that, according to the Demerging Company's assessment, represents an amount that is appropriate for the Receiving Company's operations and working capital needs upon the completion of the Demerger.

(d) In addition to Subsection (c) above, all the Demerging Company's receivables from and liabilities to those of its subsidiaries that will transfer to the Receiving Company and their direct and indirect subsidiaries, including, for example, dividend and group contribution receivables, and all other short-term receivables, including trade receivables as well as prepaid expenses and accrued income, to the extent that they relate to the Circular Economy Business Area. To the extent that such receivables cannot be transferred, a mutual debt relationship between the Demerging Company and the Receiving Company will be established.

(e) The Demerging Company's liabilities to subsidiaries transferring to the Receiving Company, as well as all other current liabilities related to the Circular Economy Business Area, including trade payables as well as prepaid expenses and accrued liabilities. To the extent that such liabilities cannot be transferred, a mutual debt relationship shall be established between the Demerging Company and the Receiving Company.

(f) Tangible assets related to the Demerging Company's Circular Economy Business Area, including for example such machinery and equipment related to or being used by the business area in question.

(g) Intangible assets related to the Demerging Company's Circular Economy Business Area, including for example capitalised expenses for such information and communication systems that relates to or are used by the business area in question.

(h) Trade names, trademarks and other intellectual property rights (including domain names) held by the Demerging Company that contain the word "LASSILA & TIKANOJA" or derivative forms thereof, as well as any other intellectual property rights held by the Demerging Company that belong to the Circular Economy Business Area, such as, for example, trademarks, copyrights, patents, utility models, design rights, domain names and business knowhow (including intellectual property rights containing the word "BAJAMAJA" or derivative forms thereof), regardless of whether such rights can be or have been registered.

(i) The Demerging Company's liabilities to parties other than the Companies Participating in the Demerger (i) that relate to the Circular Economy Business Area and/or (ii) regarding which it has been agreed with the creditors in question that the liabilities or parts thereof shall be allocated to the Receiving Company or the directly or indirectly owned subsidiaries transferring to it pursuant to Section 11.1(a) of this Demerger Plan.

(j) The Demerging Company's EUR 75,000,000 senior unsecured notes due 2028 with ISIN code FI4000523022, if the noteholders consent to the proposed amendments to the terms and conditions of the notes, and the EUR 80 million bridge facility for the aforementioned unsecured notes.

(k) In addition to Subparagraph (i) above, the interest-bearing debts of the Demerging Company, such as the EUR 35 million term loan and the EUR 40 million revolving credit facility, as set forth in **Appendix 3**.

(l) To the extent that loans taken out for the general financing or other liabilities relating to the transferring Circular Economy Business Area are not transferrable, a mutual debt relation will be established between the Demerging Company and the Receiving Company. On the date of this Demerger Plan, the Demerging Company has issued commercial papers related to the Circular Economy Business Area in the amount of EUR 10 million, for which a mutual debt relation will be established between the Demerging Company and the Receiving Company in the Demerger, if necessary.

(m) Lease liabilities relating to the Circular Economy Business Area.

(n) The Demerging Company's Performance Share Plan, as set forth in Section 7 of this Demerger Plan, and all rights and obligations related to and resulting from its terms and conditions, to the extent that they relate to the personnel that transfer to the service of the Receiving Company pursuant to Section 22.2 of this Demerger Plan and the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of the Demerging Company transferring to the Receiving Company in accordance with Section 11.1(a) of this Demerger Plan. This Demerger Plan in no way limits the right of the Board of Directors of the Demerging Company to amend the terms and conditions of the incentive plans in accordance with the same prior to the Effective Date.

(o) Agreements and other liabilities arising out of employment and service relationships that concern (a) the personnel at the service of the Demerging Company at the time of the completion of the Demerger that transfer to the service of the Receiving Company pursuant to Section 22.2 of this Demerger Plan or (b) the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of the Demerging Company transferring to the Receiving Company in accordance with Section 11.1(a) of this Demerger Plan. Similar transfer will occur with regard to the post-employment benefit obligations of employees relating to the Circular Economy Business Area.

(p) Tax receivables, debts, and liabilities of the Demerging Company related to the Circular Economy Business Area.

(q) Guarantee obligations and liabilities arising out of counterindemnities given to guarantors that relate to the Circular Economy Business Area, including, with respect to obligations and liabilities that also cover the Demerging Company's businesses other than the Circular Economy Business Area, such portions thereof that are directly related to the Circular Economy Business Area.

(r) Liabilities related to a prospectus or an exemption document to be prepared in connection with the Demerger pursuant to the Prospectus Regulation (EU) 2017/1129 and the Commission's delegated regulations related thereto, or otherwise relating to the offering or admission to trading of the shares in the Receiving Company in connection with the Demerger.

The Demerger is not conducive to compromising the repayment of debts transferring to the Receiving Company. According to the management of the Demerging Company, sufficient working capital will be transferred to the Receiving Company in the Demerger, and the cash flows generated by the business will be sufficient to cover the repayment of debts.

The Demerging Company will be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any known, unknown, and conditional liabilities transferring to the Receiving Company, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including the elimination of such liability), in which case such agreed limitation of liability (or the elimination of such liability) shall be applied to the Demerging Company's liability towards the creditor in question. The Demerging Company shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation transferring to the Receiving Company, other than any guarantee obligation that is considered a liability on the Effective Date pursuant to the aforementioned provision.

11.2 Assets and Liabilities Remaining with the Demerging Company in the Demerger

In the Demerger, the Demerging Company's Facility Services Finland & Facility Services Sweden business areas, that is, all such (including known, unknown and conditional) assets, debts, and liabilities (including agreements, offers, offer requests, and undertakings) of the Demerging Company existing on the Effective Date that relate to the Facility Services Finland & Facility Services Sweden business areas, as well as any items that replace or substitute such items, and any other items not referred to in Section 11.1 above, shall remain with the Demerging Company, including, among other things, the following most significant items:

(a) All shares in the Demerging Company's directly owned subsidiaries not belonging to the Circular Economy Business Area, as well as the direct and indirect subsidiaries of such companies (including any subsidiaries other than those belonging to the Circular Economy Business Area that may be transferred, incorporated or registered between the signing date of this Demerger Plan and the Effective Date).

(b) The Demerging Company's receivables from and liabilities to those subsidiaries that shall remain in its ownership pursuant to Section 11.2(a) and the direct and indirect subsidiaries of such companies, including, among other things, dividend- and group contribution receivables, and all other current receivables, including trade receivables as well as prepaid expenses and accrued income, insofar as such receivables or liabilities have not been specified to be transferring to the Receiving Company in Section 11.1 of this Demerger Plan.

(c) The liabilities of the Receiving Company to the subsidiaries that shall remain with the Demerging Company, as well as all other current liabilities, including accounts payable as well as prepaid expenses and accrued liabilities, which have not been specified to be transferring to the Receiving Company in Section 11.1 of this Demerger Plan.

(d) Such loan agreements entered into by the Demerging Company or its group companies with parties other than the Companies Participating in the Demerger that have not been specified to be transferring to the Receiving Company in Section 11.1 of this Demerger Plan.

(e) The Demerging Company's existing banking relationships, loan facilities, and liabilities under any financial agreements, except for the agreements and obligations that will be transferred to the Receiving Company in accordance with Section 11.1. The Demerging Company will therefore retain, among other things, the Demerging Company's EUR 5 million term loan, the EUR 10 million revolving credit facility, which is undrawn at the date of this Demerger Plan, and the EUR 100 million commercial papers program, as set forth in **Appendix 3**.

(f) The Demerging Company's tangible assets other than those that have been specified to be transferring to the Receiving Company in accordance with Section 11.1.

(g) The Demerging Company's intangible assets other than those that have been specified to be transferring to the Receiving Company in accordance with Section 11.1.

(h) The Demerging Company's Performance Share Plan, as set forth in in Section 7, and all rights and obligations related to and resulting from its terms and conditions, to the extent that they relate to the personnel that remain at the service of Demerging Company pursuant to Section 22.2 of this Demerger Plan or the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of the Demerging Company that shall remain in its ownership pursuant to Section 11.2(a). This Demerger Plan in no way limits the right of the Board of Directors of the Demerging Company to amend the terms and conditions of the incentive plans in accordance with the same prior to the registration of the completion of the Demerger.

(i) Agreements and other liabilities arising out of employment and service relationships that concern the personnel at the service of the Demerging Company at the time of the completion of the Demerger other than (i) the personnel that transfer to the service of the Receiving Company pursuant to Section 22.2 of this Demerger Plan and (ii) the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of the Demerging Company transferring to the Receiving Company in accordance with Section 11.1(a) of this Demerger Plan.

(j) Such tax receivables, debts, and liabilities of the Demerging Company that have not been specified to be transferring to the Receiving Company in Section 11.1 of this Demerger Plan.

(k) Guarantee obligations and liabilities arising out of counterindemnities given to guarantors, insofar as they have not been specified to be transferring to the Receiving Company in Section 11.1 of this Demerger Plan.

The Receiving Company shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any known, unknown, and conditional liabilities remaining with the Demerging Company, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including the elimination of such liability), in which case such agreed limitation of liability (or the elimination of such liability) shall be applied to the Receiving Company's liability towards the creditor in question. The Receiving Company shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation remaining with the Demerging Company other than any guarantee obligation that is considered a liability pursuant to the aforementioned provision on the Effective Date.

11.3 Valuation of Assets and Liabilities in the Demerger

The Demerging Company's assets, debts, and liabilities related to the Circular Economy Business Area allocated to the Receiving Company in this Demerger Plan will transfer to the Receiving Company on the

Effective Date. The Demerging Company's assets and liabilities have been booked and valued in accordance with the Finnish Accounting Act. In the Demerger, the Receiving Company shall record the transferring assets and liabilities in its balance sheet at the book values used by the Demerging Company on the Effective Date in compliance with the provisions of the Finnish Accounting Act and good accounting practice.

The equity to be formed in the Receiving Company in the Demerger, insofar that it exceeds the amount to be recorded into the share capital in accordance with Section 9 of this Demerger Plan, shall be recorded as an increase in retained earnings and invested unrestricted equity reserve.

The decrease in the book value Demerging Company's net assets caused by the Demerger will be recorded as a decrease in the Demerging Company's invested unrestricted equity reserve and retained earnings up to the amount corresponding to the total sum to be recorded as the Receiving Company's share capital, invested unrestricted equity reserve, and retained earnings, in accordance with Sections 9 and 11.

12 Share Capital and other Equity of the Demerging Company

On the date of this Demerger Plan, the share capital of the Demerging Company is EUR 19,399,437.00. The share capital of the Demerging Company is proposed to be decreased in connection with the Demerger from EUR 193,994,37.00 to EUR 1,000,000.00. The amount by which the share capital of the Demerging Company is decreased will be recorded in the Demerging Company's invested unrestricted equity reserve.

13 Matters Outside Ordinary Business Operations

The Demerger process shall not limit the Demerging Company's right to decide on matters of the Demerging Company and, until the Effective Date, of the Receiving Company (regardless of whether such matters are within the ordinary course of business or not), including, without limitation, the sale and purchase of shares and businesses, corporate reorganisations, distribution of dividend and other unrestricted equity, share issuances, acquisition or transfer of treasury shares, changes in share capital, making revaluations, internal group transactions and reorganisations as well the listing of the shares in the Receiving Company primarily on the official list of Nasdaq Helsinki, and other preparatory actions in relation to the Demerger as referred to in Section 22 of this Demerger Plan as well as other similar actions.

14 Capital Loans

The Demerging Company has not issued any capital loans, as defined in Chapter 12, Section 1 of the Finnish Companies Act.

15 Cross-Ownership and Treasury Shares

On the date of this Demerger Plan, the Demerging Company or its subsidiaries do not hold any shares in the Receiving Company because the Receiving Company will only be incorporated on the Effective Date. Therefore, on the date of this Demerger Plan, the Receiving Company does not have a parent company.

On the date of this Demerger Plan, the Demerging Company holds 587,150 of its own shares.

16 Account regarding Payment of Receivables of the Creditors of the Companies Participating in the Demerger

The creditors of the Demerging Company (i) whose receivables have arisen before the registration of this Demerger Plan with the Finnish Trade Register in accordance with Chapter 17, Section 5 of the Finnish Companies Act, or (ii) whose receivables may be collected without a judgement or decision being required, as provided in the Act on the Enforcement of Taxes and Public Payments (706/2007, as amended), and whose receivable has arisen no later than on the Public Notice Due Date (as defined below) (the "**Creditors**"), shall have the right to object to the Demerger in accordance with Chapter 17, Section 6 of the Finnish Companies Act.

In accordance with Chapter 17, Section 6, Subsection 2 of the Finnish Companies Act, the registration authority shall issue a public notice (the "**Public Notice**") to the Creditors based on an application by the Demerging Company, mentioning the right of a Creditor to object to the Demerger by so informing the registration authority in writing no later than on the due date indicated in the Public Notice (the "**Public Notice Due Date**"). Should the Demerging Company not apply for the issuance of the Public Notice within one (1) month from the registration of this Demerger Plan with the Finnish Trade Register, the Demerger shall lapse. The registration authority shall publish the Public Notice in the Official Journal of Finland no later than three (3) months before the Public Notice Due Date and register the Public Notice of its own motion.

In accordance with Chapter 17, Section 7 of the Finnish Companies Act, the Demerging Company shall no later than one (1) month before the Public Notice Due Date send a written notification of the Public Notice to its known Creditors.

On the date of this Demerger Plan, the Receiving Company has no creditors because the Receiving Company shall only be incorporated on the Effective Date.

17 Business Mortgages

The assets of the Demerging Company are not subject to any business mortgages, as defined in the Finnish Act on Business Mortgages (634/1984, as amended).

There are no business mortgages pertaining to the assets of the Receiving Company, as the Receiving Company will be established only on the Effective Date.

18 Special Benefits and Rights in Connection with the Demerger

Except as set out in Section 4.1 of this Demerger Plan, no special benefits or rights, each within the meaning of the Finnish Companies Act, will be granted in connection with the Demerger to any members of the Board of Directors, the President, and CEOs or the auditors of either the Demerging Company or the Receiving Company, or to the auditor issuing a statement on this Demerger Plan (**Appendix 4**).

The remuneration of the auditor issuing a statement on this Demerger Plan is proposed to be paid in accordance with an invoice approved by the Board of Directors of the Demerging Company.

19 Authorisations to the Board of Directors of the Receiving Company Following the Completion of the Demerger

19.1 Authorisation to Issue Shares and Special Rights Entitling to Shares in the Receiving Company

The Board of Directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide, following the completion of the Demerger, on the issuance of shares, as well as the issuance of option rights and other special rights entitling to shares pursuant to Chapter 10, Section 1, of the Finnish Companies Act, as follows:

Under the authorisation, new shares in the Receiving Company or shares possibly held by the Receiving Company may be issued in one or more instalments through a share issue and/or the issuance of option rights or other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act, so that by virtue of the authorisation altogether 2,000,000 shares in the Receiving Company may be issued and/or conveyed. The authorisation would correspond to approximately 5.2 per cent of the Receiving

Company's registered shares upon the completion of the Demerger, assuming that the total number of the Receiving Company's shares to be issued as Demerger Consideration would be as described in Section 5.2 above.

The authorisation mat be used for the financing or execution of potential acquisitions or other arrangements or investments relating to the Receiving Company's business, for the implementation of the Receiving Company's share-based incentive plan or for other purposes resolved by the Board of Directors of the Receiving Company.

The authorisation entitles the Board of Directors of the Receiving Company to decide on all terms and conditions of the share issue and the issuance of special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. The authorisation thus includes the right to issue shares also in a proportion other than that of the shareholders' current shareholdings in the Receiving Company under the conditions provided in law, the right to issue shares against payment or without charge, as well as the right to decide on a share issue without payment to the Receiving Company itself, subject to the provisions of the Finnish Companies Act on the maximum amount of treasury shares.

The authorisation is valid until the conclusion of the first Annual General Meeting held by the Receiving Company following the completion of the Demerger.

19.2 Authorisation to Decide on Acquisition of the Receiving Company's own Shares and on Acceptance as Pledge of the Receiving Company's own Shares

The Board of Directors of the Receiving Company is authorised pursuant to this Demerger Plan to decide, following the completion of the Demerger, on the acquisition of the Receiving Company's own shares and on the acceptance as pledge of the Receiving Company's own shares as follows:

The authorisation covers in total a maximum of 2,000,000 of the Receiving Company's own shares. The size of the authorisation would correspond to approximately 5.2 per cent of the Receiving Company's registered shares upon the completion of the Demerger, assuming that the total number of the Receiving Company's shares to be issued as Demerger Consideration would be as described in Section 5.2 above. Only the unrestricted equity of the Receiving Company can be used to acquire own shares on the basis of the authorisation.

The Receiving Company's own shares will be repurchased otherwise than in proportion to the existing shareholdings of the Receiving Company's shareholders through trading on regulated market organised by Nasdaq Helsinki at the market price quoted at the time of the repurchase. The Receiving Company's shares will be acquired and paid for in accordance with the rules of the Nasdaq Helsinki and Euroclear Finland Ltd.

The purpose of the acquisitions of the Receiving Company's own shares and/or acceptances as pledge of the Receiving Company's own shares is to develop the Receiving Company's capital structure and/or to use the shares as consideration in the Receiving Company's potential corporate acquisitions, in other business arrangements, as part of the Receiving Company's share-based incentive plan, or to finance investments. The repurchased shares may either be held by the Receiving Company or be cancelled or conveyed. The Board of Directors of the Receiving Company decides on all other terms and conditions related to the share repurchases and/or acceptances as pledge.

The authorisation is valid until the conclusion of the first Annual General Meeting held by the Receiving Company following the completion of the Demerger.

20 Potential Resolution not to Complete the Demerger

The Board of Directors of the Demerging Company may, at any time prior to the completion of the Demerger, resolve not to complete the Demerger if the Board of Directors of the Demerging Company considers that completion would no longer be in the best interest of the Demerging Company and its shareholders due to a change in circumstances that has occurred or arisen after the Demerger Plan has been signed. In such case the Demerger shall lapse.

21 Planned Timeline and Registration Date of the Completion of the Demerger

The planned Effective Date is 31 December 2025. The actual Effective Date may change from said planned date, for example, if the circumstances relating to the Demerger require changes with respect to the above-mentioned contemplated timing or if the Board of Directors of the Demerging Company otherwise decides to apply for the Demerger to be registered prior to, or after, 31 December 2025.

The Demerging Company intends to apply for the Public Notice to the Creditors in connection with the registration of the Demerger Plan, and in any event within one (1) month from the registration of the Demerger Plan with the Finnish Trade Register. The registration authority sets the Public Notice Due Date of its own motion upon the Demerging Company having applied for the Public Notice. The Demerging Company will send written notifications of the Public Notice to its known Creditors no later than one (1) month before the Public Notice Due Date set by the registration authority.

The Board of Directors of the Demerging Company intends to propose to the shareholders of the Demerging Company that the shareholders resolve on the Demerger in the Demerging Company's Extraordinary General Meeting to be held in December 2025, and in any event within four (4) months from the registration of the Demerger Plan with the Finnish Trade Register.

22 Other Matters

22.1 Listing of Shares of the Receiving Company

The Receiving Company will apply for the listing of all shares in the Receiving Company primarily on the official list of Nasdaq Helsinki. The trading in the Receiving Company's shares on Nasdaq Helsinki will begin on 2 January 2026 or as soon as reasonably possible thereafter.

The Board of Directors of the Demerging Company has the right to resolve on the listing of the Receiving Company's shares and to take measures in preparation for the listing, including entering into agreements concerning the listing.

The Demerger will not affect the listing of, or trading in, the shares of the Demerging Company.

22.2 Transfer of Employees

Part of the personnel in the service of the Demerging Company will transfer to the service of the Receiving Company on the registration date of the completion of the Demerger, based on the Demerger or agreements in accordance with decisions made prior to the Effective Date by the Board of Directors or the President and CEO of the Demerging Company, after possible legal obligations relating to the implementation of the transfer have been fulfilled.

The Receiving Company shall assume the obligations arising out of the employment and service relationships of the transferring personnel in force on the Effective Date as well as the obligations resulting from the related benefits. The transferring personnel shall transfer to the service of the Receiving Company as so-called existing employees, to the extent possible under applicable law.

The obligations under any group level agreements binding the Demerging Company shall transfer, to the extent possible, to the Receiving Company insofar as they concern the employees of the Receiving Company or its directly or indirectly owned subsidiaries.

The Receiving Company shall be responsible for all obligations relating to the personnel transferring to it, such as any wages and fees, tax withholding, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent the grounds for such obligations have arisen wholly or partially during the time period preceding the Effective Date but which remain unfulfilled on the Effective Date.

22.3 Preparatory Actions

The Board of Directors and the President and CEO of the Demerging Company may take any decisions that fall within their competence under the applicable law and concern the Circular Economy Business Area as well as take care of the actions in relation to the completion of the Demerger until the Effective Date.

22.4 Right of the Board of Directors and the President and CEO of the Demerging Company to Act on Behalf of the Receiving Company

As set out in Section 22.3 of this Demerger Plan, prior to the Effective Date, the President and CEO of the Demerging Company may enter into agreements facilitating the separation of the Circular Economy Business Area (such as financing agreements, transitional services agreements, licensing agreements and lease agreements), as well as agreements facilitating the initiation of the Receiving Company's operations.

The President and CEO of the Demerging Company may take above-mentioned decisions, enter into agreements and take other actions also on behalf of the Receiving Company.

Prior to the Effective Date, the Board of Directors of the Demerging Company may also take decisions, enter into agreements and take actions designated to the President and CEO of the Demerging Company under this Section 22.4 as well as take all such decisions, enter into agreements and take actions concerning the Circular Economy Business Area that fall within its competence under applicable law.

The rights and obligations of the Receiving Company based on decisions, agreements and other actions taken on behalf of the Receiving Company pursuant to this Section 22.4 will transfer to the Receiving Company on the Effective Date.

22.5 Capacity and Competence of the Receiving Company's Board of Directors and President and CEO prior to the Effective Date

Prior to the Effective Date, the Board of Directors and the President and CEO of the Receiving Company may only take such decisions as are separately assigned in this Demerger Plan to be made by the Board of Directors and the President and CEO of the Receiving Company or such decisions as the Board of Directors of the Demerging Company designates.

Prior to the Effective Date, the Board of Directors of the Receiving Company may, however, without separate direction from the Board of Directors of the Demerging Company, take decisions with regard to the Receiving Company that concern representation rights (authorisations to sign for the company, rights of representation per procuram, and other authorisations), bank accounts and necessary agreements and documents relating to the administration of a listed company, such as the charter of the Board of Directors and insider guidelines. The Board of Directors of the Demerging Company may also take such decisions concerning the Receiving Company prior to the Effective Date. The rights and obligations under these decisions will transfer to the Receiving Company on the Effective Date.

22.6 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements

All agreements and undertakings, issued and received offers and offer requests, and the rights and obligations pertaining thereto relating to the Circular Economy Business Area, will transfer to the Receiving Company in accordance with this Demerger Plan on the Effective Date. If the transfer of an agreement or an undertaking is subject to the consent of the contracting party or a third party, the Companies Participating in the Demerger shall use their best efforts to obtain such consent. If such consent has not been received by the Effective Date, the Demerging Company shall remain as the party to such agreement or undertaking but the Receiving Company shall fulfil the obligations related to such agreement or undertaking on its own behalf, at its own responsibility and at its own risk in the Demerging Company's name and, correspondingly, the Receiving Company shall receive the benefits related to such agreement or undertaking in a manner separately agreed by the Companies Participating in the Demerger.

22.7 Intellectual Property Rights of the Receiving Company

The Demerging Company shall within a twelve (12) month transition period from the Effective Date procure that (i) none of its directly or indirectly owned subsidiaries shall use any trade name, trademark or other intellectual property right that includes the words "Lassila & Tikanoja" or that may otherwise be confused with the Receiving Company's trade name, trademarks, or other intellectual property rights, and (ii) said subsidiaries shall cause the removal of such elements no later than twelve (12) months from the Effective Date.

22.8 Costs and Remuneration

Unless the Companies Participating in the Demerger separately agree otherwise or unless it is stipulated otherwise in this Demerger Plan (including Section 11), the following shall be applied to the allocation of the costs and remuneration related to the Demerger between the Parties:

(a) the Demerging Company shall be responsible for the costs and remuneration that relate directly to the Demerger process and its completion, including without limitation costs relating to, e.g., convening the General Meeting resolving on the Demerger, any Trade Register notifications required in connection with the Demerger, advisor fees related to the Demerger (unless otherwise stipulated below in this Section 22.8) and the fee payable to the auditor issuing their statement on this Demerger Plan;

(b) the Receiving Company shall be responsible for the costs relating to the listing of the shares in the Receiving Company and the creation of the shares in the book-entry securities system, including without limitation costs relating to, e.g., due diligence required for the listing, preparing a securities prospectus, as well as costs and fees invoiced by the Finnish Financial Supervisory Authority, Nasdaq Helsinki and Euroclear Finland Oy, regardless of when such costs may arise. If such costs arise prior to the Effective Date, the Demerging Company will invoice them from the Receiving Company after the Effective Date;

(c) the Receiving Company shall be responsible for the costs related to the commencement of the Receiving Company's operations, regardless of when such costs may arise. If such costs arise prior to the Effective Date, the Demerging Company will invoice them from the Receiving Company after the Effective Date;

(d) to the extent that current members of the Board of Directors of the Demerging Company will be elected to the Board of Directors of the Receiving Company and, following the Effective Date, will no longer be members of the Board of Directors of the Demerging Company, the Receiving Company shall reimburse the Demerging Company for such portion of the remuneration of such current members of the Board of Directors of the Demerging Company that has already been paid by the Demerging Company and that relates to the time period following the Effective Date. The Demerging Company will invoice such remuneration portion from the Receiving Company after the Effective Date; and

(e) the Companies Participating in the Demerger shall each be responsible for one-half of the costs and remuneration that cannot be allocated based on Subsections (a)–(d) above, or that are not directly related to the operations of either of the Companies Participating in the Demerger.

22.9 Accounting Material

The accounting material of the Demerging Company shall remain in the ownership of the Demerging Company. However, insofar as such accounting material concerns the business of the Receiving Company prior to the completion of the Demerger, the Receiving Company shall have the right to obtain access to said material free of separate charge, including the right to make notes based on the documentation, make copies thereof and save it in electronic media, during ordinary office hours.

22.10 Language Versions

This Demerger Plan (including any applicable appendices) is an unofficial English language translation of the original document, which has been prepared and executed in Finnish. This English language translation has been drafted solely for information purposes. Should any discrepancies exist between the Finnish and the English versions, the Finnish version shall prevail.

22.11 Dispute Resolution

Any dispute, controversy or claim between the Companies Participating in the Demerger arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The seat of arbitration shall be Helsinki, Finland. The language of the arbitration shall be Finnish. For the sake of clarity, it is noted that this arbitration clause has been entered into also on behalf of, and shall be binding upon, the Receiving Company.

23 Other Issues

The Board of Directors of the Demerging Company is authorised to decide on technical amendments to this Demerger Plan or its appendices as may be required by authorities or as considered appropriate by the Board of Directors of the Demerging Company in its discretion.

(*Signature page follows*)

This Demerger Plan has been made in three (3) identical counterparts, one (1) for the Demerging Company, one (1) for the Receiving Company, and one (1) for the registration authority.

Helsinki, 7 August 2025

LASSILA & TIKANOJA OYJ

____

Name: Jukka Leinonen

Title: Chair of the Board of Directors

____

Name: Sakari Lassila

Title: Hallituksen varapuheenjohtaja

____

Name: Tuija Kalpala

Title: Member of the Board of Directors

____

Name: Teemu Kangas-Kärki

Title: Member of the Board of Directors

____

Name: Juuso Maijala

Title: Member of the Board of Directors

____

Name: Anna-Maria Ronkainen

Title: Member of the Board of Directors

____

Name: Pasi Tolppanen

Title: Member of the Board of Directors

____

Name: Anna-Maria Tuominen-Reini

Title: Member of the Board of Directors

Appendices to the Demerger Plan

Appendix 1	The proposal for the Articles of Association of the Demerging Company
Appendix 2	The proposal for the Articles of Association of the Receiving Company
Appendix 3	The preliminary presentation of the balance sheets of the Demerging Company and the Receiving Company
Appendix 4	The auditor’s statement in accordance with Chapter 17, Section 4 of the Finnish Companies Act

ARTICLES OF ASSOCIATION

1 § Company Name and Domicile

The name of the Company is Luotea Oyj and in English Luotea Plc. The Company's domicile is Helsinki.

2 § The Company's Field of Operations

The field of operations of the Company is to practise, either directly or through subsidiaries or partnership companies, various services related to the maintenance, energy efficiency, and sustainability of properties and facilities, such as property maintenance services, cleaning and support services, security services, technical facility services, HVAC services, electrical works, as well as consulting services and other business activities related to the aforementioned services. The field of operations of the Company also includes management and financing services of the Group. For its operations, the Company may own and control shares, holdings, securities, and real estate, and trade and lease them.

3 § Book-entry system

The Company's shares are incorporated in the book-entry system.

4 § Board of Directors

The Board of Directors is responsible for the management of the Company and for the proper arrangement of the Company's operations. The Board of Directors shall consist of no less than three (3) and no more than eight (8) members elected by the General Meeting of Shareholders.

The term of the members of the Board of Directors expires at the end of the next Annual General Meeting of Shareholders following their election.

The Annual General Meeting elects the Chair and the Vice Chair of the Board of Directors.

5 § Managing Director

The Company has a Managing Director who is appointed by the Board of Directors.

6 § Auditors and Sustainability Report Verifiers

The company's auditor must be an audit firm, and the principal auditor appointed by the audit firm must be an Authorized

Public Accountant (KHT). The verifier of the company's sustainability report must be a sustainability audit firm, and the principal verifier appointed by the firm must be an Authorized Sustainability Auditor (KRT). The term of office for both the auditor and the sustainability report verifier is the company's financial year, and their duties end at the conclusion of the first Annual General Meeting following their election.

7 § Right to represent the Company

The right to represent the Company shall be vested with two members of the Board of Directors together, or the Managing Director together with a member of the Board of Directors, or a person that has been authorised by the Board of Directors to represent the Company so that such person represents the Company together either with another person authorised to represent the Company or with the Managing Director or with a member of the Board of Directors.

8 § Procuration

Granting of procurations shall be decided by the Board of Directors. Holders of procuration represent the Company each separately together with a person having right to represent the Company.

9 § Financial period

The financial period of the Company shall be the calendar year.

10 § Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders shall be held annually by the end of April on the date decided by the Board of Directors. The General Meeting of Shareholders shall be held in the Company's domicile.

In addition, the Board of Directors may decide that the General Meeting of Shareholders be held without a meeting venue so that the shareholders exercise their power of decision in full in real time during the meeting using a telecommunications connection and technical means.

11 § Notice of General Meeting of Shareholders

The notice of a General Meeting of Shareholders shall be published on Company's website no earlier than two (2) months and no later than three (3) weeks prior to the General Meeting of Shareholders, however, at least nine (9) days prior to the record date of the General Meeting of Shareholders. In addition, the Company may, if so decided by the Board of Directors, within the same time publish the time and place of the General Meeting of Shareholders as well as the address of the Company’s website in a newspaper.

12 § Informing of participation in General Meeting of Shareholders

In order to participate in the General Meeting of Shareholders, a shareholder must inform the Company of the participation at the latest on the date mentioned in the notice of a General Meeting. The date may not be earlier than ten (10) days before the General Meeting of Shareholders.

13 § Matters at the Annual General Meeting of Shareholders

At the Annual General Meeting of Shareholders

shall be presented:

1. the financial statements and the consolidated financial statements as well as the Board of Directors’ report;
2. the auditor’s report and the assurance report on sustainability report;

shall be resolved on:

3. the adoption of the financial statements;
4. the use of profit shown on the balance sheet;
5. the discharge of the members of the Board of Directors and the Managing Director from liability;
6. the remuneration of the members of the Board of Directors and the auditor;
7. the number of the members of the Board of Directors;

shall be elected:
8. the members of the Board of Directors;
9. the auditor; and
10. the sustainability report verifiers.

ARTICLES OF ASSOCIATION

1 § Company Name and Domicile

The name of the Company is Lassila & Tikanoja Oyj and in English Lassila & Tikanoja Plc. The Company’s domicile is Helsinki.

2 § The Company’s Field of Operations

The field of operations of the Company is to practise, either directly or through subsidiaries or partnership companies, various services related to environmental management and circular economy, such as waste management services for non-hazardous and hazardous waste, process cleaning services, raw material- and material business, and consulting services and other business activities related to the aforementioned services. The field of operations of the Company also includes management and financing services of the Group. For its operations, the Company may own and control shares, holdings, securities, and real estate, and trade and lease them.

3 § Book-entry system

The Company’s shares are incorporated in the book-entry system.

4 § Board of Directors

The Board of Directors is responsible for the management of the Company and for the proper arrangement of the Company’s operations. The Board of Directors shall consist of no less than three (3) and no more than eight (8) members elected by the General Meeting of Shareholders.

The term of the members of the Board of Directors expires at the end of the next Annual General Meeting of Shareholders following their election.

The Annual General Meeting elects the Chair and the Vice Chair of the Board of Directors.

5 § Managing Director

The Company has a Managing Director who is appointed by the Board of Directors.

6 § Auditors and Sustainability Report Verifiers

The company’s auditor must be an audit firm, and the principal auditor appointed by the audit firm must be an Authorized

Public Accountant (KHT). The verifier of the company’s sustainability report must be a sustainability audit firm, and the principal verifier appointed by the firm must be an Authorized Sustainability Auditor (KRT). The term of office for both the auditor and the sustainability report verifier is the company’s financial year, and their duties end at the conclusion of the first Annual General Meeting following their election.

7 § Right to represent the Company

The right to represent the Company shall be vested with two members of the Board of Directors together, or the Managing Director together with a member of the Board of Directors, or a person that has been authorised by the Board of Directors to represent the Company so that such person represents the Company together either with another person authorised to represent the Company or with the Managing Director or with a member of the Board of Directors.

8 § Procuration

Granting of procurations shall be decided by the Board of Directors. Holders of procuration represent the Company each separately together with a person having right to represent the Company.

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The financial period of the Company shall be the calendar year.

10 § Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders shall be held annually by the end of April on the date decided by the Board of Directors. The General Meeting of Shareholders shall be held in the Company’s domicile.

In addition, the Board of Directors may decide that the General Meeting of Shareholders be held without a meeting venue so that the shareholders exercise their power of decision in full in real time during the meeting using a telecommunications connection and technical means.

11 § Notice of General Meeting of Shareholders

The notice of a General Meeting of Shareholders shall be published on Company’s website no earlier than two (2) months and no later than three (3) weeks prior to the General Meeting of Shareholders, however, at least nine (9) days prior to the record date of the General Meeting of Shareholders. In addition, the Company may, if so decided by the Board of Directors, within the same time publish the time and place of the General Meeting of Shareholders as well as the address of the Company's website in a newspaper.

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13 § Matters at the Annual General Meeting of Shareholders

At the Annual General Meeting of Shareholders

shall be presented:

1. the financial statements and the consolidated financial statements as well as the Board of Directors' report;
2. the auditor's report and the assurance report on sustainability report;

shall be resolved on:

3. the adoption of the financial statements;
4. the use of profit shown on the balance sheet;
5. the discharge of the members of the Board of Directors and the Managing Director from liability;
6. the remuneration of the members of the Board of Directors and the auditor;
7. the number of the members of the Board of Directors;

shall be elected:
8. the members of the Board of Directors;
9. the auditor; and
10. the sustainability report verifiers.

Appendix 3 - Preliminary illustration of the balance sheets of the Demerging Company and the Receiving Company

Balance sheet 30 June 2025 EUR thousand	Lassila & Tikanoja plc (Demerging Company)	(Receiving Company)	Demerging Company (after the Demerger)
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets	2,195.7	1,121.4	1,074.3
Advance payments and construction in progress	339.0	269.6	69.4
	2,534.6	1,391.0	1,143.7
Tangible assets			
Buildings and constructions	113.7	-	113.7
Machinery and equipment	36.0	-	36.0
Other tangible assets	39.7	39.7	-
	189.4	39.7	149.7
Investments			
Shares in group companies	125,696.4	89,075.3	36,621.1
Shares in joint venture	9,946.8	9,946.8	0.0
Other shares and holdings	105.8	100.0	5.8
	135,749.0	99,122.1	36,626.9
Total non-current assets	138,473.0	100,552.7	37,920.3
Current assets			
Non-current receivables			
Loan receivables from group companies	3,633.4	3,633.4	-
Prepaid expenses and accrued income	201.2	201.2	-
Other non-current receivables	29.3	-	29.3
Deferred tax assets	1,335.9	980.5	355.4
	5,199.9	4,815.1	384.8
Current receivables			
Receivables from group companies	51,379.3	42,126.6	9,252.7
Receivable from the Receiving Company	-	-	10,000.0
Other receivables	2,667.4	1,934.9	732.5
Prepaid expenses and accrued income	1,466.6	875.8	590.8
	55,513.3	44,937.4	20,576.0
Cash and cash equivalents	16,433.2	2,930.8	13,502.3
Total current assets	77,146.4	52,683.3	34,463.1
Total assets	215,619.4	153,236.0	72,383.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital[1]	19,399.4	80.0	1,000.0
Invested unrestricted equity reserve	727.1	15,443.4	3,603.1
Retained earnings	17,197.0	13,263.9	3,933.1
	37,323.6	28,787.3	8,536.2
Accumulated appropriations			
Depreciation difference	237.6	96.4	141.2
Obligatory provisions			
Non-current	232.1	-	232.1
	232.1	-	232.1
Liabilities			
Non-current			
Loans from credit intitutions	40,000.0	35,000.0	5,000.0
Bonds	75,000.0	75,000.0	-
	115,000.0	110,000.0	5,000.0
Current			
Loans from credit intitutions	10,000.0	-	10,000.0
Loan from the Demerging Company	-	10,000.0	-
Trade payables	4,229.9	1,922.6	2,307.3
Liabilities to group companies	45,662.1	652.1	45,010.0
Other liabilities	329.3	156.5	172.7
Accrued expenses and deferred income	2,604.9	1,621.1	983.8
	62,826.2	14,352.3	58,473.9
Total liabilities	177,826.2	124,352.3	63,473.9
Total shareholders' equity and liabilities	215,619.4	153,236.0	72,383.4

[1] In accordance with Section 12 of the Demerger Plan, the share capital of the Demerging Company is proposed to be decreased to EUR 1 million (EUR 1 000 000).

Financial information presented in these unaudited preliminary illustrative balance sheets of the Demerging Company and the Receiving Company ("the illustrative demerger balance sheet") has been derived from the unaudited financial information of Demerging Company prepared in accordance with the Finnish Accounting Act and good accounting practice for the six-month period ended 30 June 2025.

The illustrative demerger balance sheet presented above does not take into account, among other things, the following potential events which may have a significant impact on the final amount of the assets and liabilities of the Demerging Company prior to the execution of the Demerger: Potential repayments or draw-downs of short-term or long-term financing, the impacts of transaction costs arising from the Demerger and listing after 30 June 2025, dividends or group contributions to be paid to the parent company in 2025.

The shareholders' equity of the Demerging Company and the Receiving Company after the Demerger has been illustrated in accordance with Sections 9, 11.3, and 12 of this Demerger Plan.

The illustrative demerger balance sheet presents a preliminary allocation of interest-bearing debts and cash, based on agreements with banks and an estimate of working capital requirements. In the Demerger, the Demerging Company's EUR 75 million notes, EUR 35 million term loan, and an undrawn EUR 40 million revolving credit facility will transfer to the Receiving Company. A EUR 80 million bridge facility for unsecured notes, agreed with the banks and undrawn as of the date of this Demerger Plan, will also transfer to the Receiving Company. EUR 10 million commercial papers outstanding as of the date of this Demerger Plan is allocated to the Demerging Company, and a corresponding mutual debt relation has been established between the Demerging Company and the Receiving Company in this illustrative demerger balance sheet. The Demerging Company's EUR 5 million term loan, an undrawn EUR 10 million revolving credit facility, and a EUR 100 million commercial paper program will remain with the Demerging Company after the Demerger.

The final Demerger will take place based on the balance sheet values as at the Effective Date of the Demerger. The unaudited illustrative balance sheet information presented above is therefore only indicative and subject to change.

Auditor’s statement (unofficial translation of the Finnish Original)

To the general meeting of Lassila & Tikanoja Oyj

Background

We have performed an engagement regarding the demerger plan prepared by the board of directors of Lassila & Tikanoja Oyj (1680140-0) (Demerging Company) dated 7 August 2025. The board of directors of Demerging Company proposes to the shareholders’ general meeting of the Demerging Company that the general meeting resolve on the partial demerger of the Demerging Company so that the assets, debts and liabilities of the Demerging Company relating to the circular economy business area or mainly serving the circular economy business area of the Demerging Company be transferred to a company to be incorporated in the demerger, which is proposed to be named Lassila & Tikanoja Oyj. According to the demerger plan, the shareholders of the Demerging Company will receive as demerger consideration one new share of the company to be incorporated for each share owned in the Demerging Company.

Responsibility of the Board of Directors

The Board of Directors of Lassila & Tikanoja Oyj is responsible for the preparation of the demerger plan and that it gives a true and fair view, as referred to in the Limited Liability Companies Act, of the grounds for setting the demerger consideration, as well as of the distribution of the consideration.

Auditor’s independence and quality management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Auditor’s responsibilities

Our responsibility is to issue a statement regarding the demerger plan. We conducted the engagement in accordance with good auditing practices applicable in Finland and the Finnish Association of Authorised Public Accountants' recommendation 5/2024 on the audit of mergers and demergers. The engagement includes procedures to obtain evidence as to whether a true and fair view has been provided, as referred to in the Limited Liability Companies Act, in the demerger plan of the grounds for setting the demerger consideration, as well as of the distribution of the demerger consideration.

Statement

As our statement pursuant to chapter 17 section 4 of the Limited Liability Companies Act we state that a true and fair view has been provided, as referred to in the Limited Liability Companies Act, in the demerger plan of the grounds for setting the demerger consideration, as well as of the distribution of the consideration.

Helsinki 7 August 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant (KHT)

Independent auditor's assurance report on the compilation of pro forma financial information included in a Prospectus (translation of the Finnish original)

To the Board of Directors of Lassila & Tikanoja plc

We have completed our assurance engagement to report on the compilation of pro forma financial information of the circular economy business of Lassila & Tikanoja plc which shall be transferred in a partial demerger from Lassila & Tikanoja plc to Lassila & Tikanoja Plc ("New Lassila & Tikanoja), a new public company to be established in the partial demerger (the "Demerger"), which has been compiled by the Board of Directors of Lassila & Tikanoja plc. The pro forma financial information comprises pro forma combined statement of financial position as at 30 September 2025, pro forma combined income statements for the nine months ended 30 September 2025 and for the year ended 31 December 2024 and accompanying notes set out in the section "Unaudited Pro Forma Financial Information" of the demerger and listing prospectus (the "Prospectus") prepared for New Lassila & Tikanoja and dated on 20 November 2025. The applicable basis used by the Board of Directors of Lassila & Tikanoja plc in compiling the pro forma financial information is specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980 and described in the section "Unaudited Pro Forma Financial Information" of the Prospectus.

The pro forma financial information has been compiled by the Board of Directors of Lassila & Tikanoja plc to illustrate the impact of the Demerger set out in the section "Unaudited Pro Forma Financial Information" of the Prospectus on New Lassila & Tikanoja's financial position as at 30 September 2025 and its financial performance for the nine months ended 30 September 2025 and for the year ended 31 December 2024, as if the Demerger had taken place at 30 September 2025 for the pro forma statement of financial position and at 1 January 2024 for the pro forma income statements. As part of this process, information about the New Lassila & Tikanoja's financial position and financial performance has been extracted by the Board of Directors of Lassila & Tikanoja plc from:

- New Lassila & Tikanoja's carve-out financial statements for the year ended 31 December 2024, on which an audit report has been published in the demerger and listing prospectus, and
- New Lassila & Tikanoja's carve-out financial information for the period ended 30 September 2025, on which no audit or review report has been published

The Board of Director's responsibility for the pro forma financial information

The Board of Directors of Lassila & Tikanoja plc is responsible for compiling the pro forma financial information in accordance with the Commission Delegated Regulation (EU) 2019/980.

The Practitioner's Independence and Quality Management

We are independent from Lassila & Tikanoja plc according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

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

The practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980, as to whether the pro forma financial information has been compiled, in all material respects, by the Board of Directors of Lassila & Tikanoja plc on the basis stated and whether that basis is consistent with the accounting policies applied in the carve-out financial statements of New Lassila & Tikanoja.

PricewaterhouseCoopers Oy, Authorised Public Accountants, P.O. Box 1015 (Itämerentori 2), FI-00101 HELSINKI
Phone +358 20 787 7000, Fax +358 20 787 8000, www.pwc.fi
Reg. Domicile Helsinki, Business ID 0486406-8

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the Board of Directors of Lassila & Tikanoja plc, in all material respects, in accordance with Commission Delegated Regulation (EU) 2019/980.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the Board of Directors of Lassila & Tikanoja plc in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the basis stated has been consistently applied in the pro forma adjustments; and
- the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner’s judgment, having regard to the practitioner’s understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion,

- the pro forma financial information has been properly compiled on the basis stated in the section “Unaudited Pro Forma Financial Information” of the Prospectus and
- the basis stated is consistent with the accounting policies applied by New Lassila & Tikanoja in the carve-out financial statements.

Restriction to the distribution and the use of the report

This report has been issued solely for the purposes of including in the Prospectus prepared in accordance with Prospectus Regulation (EU) 2017/1129 and Commission Delegated Regulation (EU) 2019/980.

Helsinki 20 November 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Samuli Perälä
Authorised Public Accountant (KHT)