SKF vertevo

ADMISSION TO TRADING OF THE SHARES IN SKF VERTEVO ON NASDAQ STOCKHOLM



FINANCIAL ADVISORS

Morgan Stanley

SEB

IMPORTANT INFORMATION

For certain definitions used in this prospectus, see "*Certain definitions*" on the next page.

This prospectus has been prepared following a resolution at the Extraordinary General Meeting, held on 1 October 2026, in Aktiebolaget SKF (publ) (**"SKF"**) to distribute the shares in SKF Vertevo AB (publ) (**"SKF Vertevo"** or the **"Company"**) to the shareholders of SKF and the Board of Directors of SKF Vertevo's application for listing of those shares on Nasdaq Stockholm.

This prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*, the **"SFSA"**) as competent authority under 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 (the **"Prospectus Regulation"**).

The prospectus is governed by Swedish law. Disputes arising in connection with this prospectus and related legal matters shall be settled exclusively by Swedish courts. The prospectus has been prepared in an English language version only. The section "*Summary*" has been prepared in both Swedish and English language versions. In the event of any conflict between the versions, the English version shall prevail.

This prospectus has been prepared for the purpose of SKF Vertevo's application for admission to trading of the shares in SKF Vertevo on Nasdaq Stockholm and does not contain any offer to subscribe for, or in any other way acquire shares or other financial instruments in the Company, neither in Sweden nor in any other jurisdiction. The prospectus and thereto related documents may not be distributed to or into the United States, Canada, Australia, Japan or any other jurisdiction where such distribution would require additional prospectuses, registration or measures besides those required by Swedish law or otherwise would be in conflict with applicable regulations in such countries or in such jurisdictions. Recipients of this prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

Investing in shares is associated with risk (see "*Risk factors*"). When an investor makes an investment decision, he or she must rely on his or her own analysis of SKF Vertevo, including applicable facts and risks. Investors may only rely on the information in this prospectus and any possible supplements to this prospectus. No person is authorised to provide any information or make any statements other than those made in this prospectus. Should such information or statement nevertheless be provided or be made, it should not be considered to have been approved by SKF Vertevo, and SKF Vertevo is not responsible for such information or statements. Neither the publication of this prospectus nor any transaction made in respect of it shall be deemed to imply that the information in this prospectus is accurate or applicable at any time other than on the date of the publication of this prospectus or that there have been no changes in SKF Vertevo's business since this date. If significant changes relating to the information contained in this prospectus occur, such changes will be announced in accordance with the provisions on prospectus supplements under the Prospectus Regulation.

Information to investors in the United States

The distribution of the shares in SKF Vertevo has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**). The shares in SKF Vertevo have not been approved or disapproved by the U.S. Securities and Exchange Commission (**"SEC"**), any state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the distribution of the shares in SKF Vertevo or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

SKF Vertevo will be relying on an exemption provided by Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934, as amended, and therefore will not be required to register its shares with the SEC. In accordance with Rule 12g3-2(b), SKF Vertevo will make available certain documents on its website. These documents will consist primarily of English-language versions of the Group's annual reports, press releases and certain other information made public in Sweden. However, SKF Vertevo will not be required to file with the SEC annual reports on Form 20-F or furnish reports on Form 6-K.

The shares in SKF Vertevo generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and persons who receive shares in SKF Vertevo as a result of the separation (other than affiliates) may resell them without restriction under the Securities Act. A receiving shareholder who is an affiliate of SKF Vertevo as of the date and time at which the separation of SKF Vertevo from SKF becomes effective or who became affiliates thereafter will be subject to certain U.S. transfer restrictions relating to the shares received pursuant to the separation.

Forward-looking statements

The prospectus contains certain forward-looking statements that reflect SKF Vertevo's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking statements. Forward-looking statements are inherently associated with both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements are not a guarantee of future results or developments and actual outcomes may differ materially from the statements set forth in the forward-looking statements. SKF Vertevo does not undertake any obligation to publicly announce any update or change in forward-looking statements as a result of new information, future events or similar circumstances other than as required by applicable laws and regulations.

Factors that may cause SKF Vertevo's future results and development to differ from the forward-looking statements include, but are not limited to, those described in "*Risk factors*". The forward-looking statements contained in this prospectus apply only as of the date of this prospectus.

Presentation of financial information

Certain figures in this prospectus, including financial data, have been rounded to facilitate understanding of the information. Accordingly, figures shown in totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. Unless otherwise explicitly stated, no information in this prospectus has been audited or reviewed by an auditor. See "*Information about the prospectus–Financial information*".

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IMPORTANT DATES

Last day of trading in SKF shares with the right to the distribution of shares in SKF Vertevo:	25 November 2026
SKF shares and ADRs are traded excluding the right to the distribution of shares in SKF Vertevo:	26 November 2026
Record date for receipt of shares in SKF Vertevo:	27 November 2026
Estimated first day of trading in SKF Vertevo's shares on Nasdaq Stockholm:	1 December 2026

OTHER INFORMATION

Ticker series A share	SKFVER A
Ticker series B share	SKFVER B
ISIN code series A share	SE0030336236
ISIN code series B share	SE0030336244
LEI code	636700IK9V7O68VGRA55

FINANCIAL INFORMATION

Interim report Q4 2026:	3 February 2027
Interim report Q1 2027:	30 April 2027
Interim report Q2 2027:	20 July 2027

CERTAIN DEFINITIONS

In this prospectus, the following definitions are used (see also "*Glossary*" for a description of certain terms used herein):

"**SKF Vertevo**" or the "**Company**" refers to, depending on the context, SKF Vertevo AB (publ) (corporate ID No. 559505-9022) or the group in which SKF Vertevo AB (publ) is the parent company.

The "**Group**" refers to SKF Vertevo AB (publ) and its subsidiaries.

"**SKF**" refers to, depending on the context, Aktiebolaget SKF (publ) (corporate ID No. 556007-3495) or the group in which Aktiebolaget SKF (publ) is the parent company.

The "**SKF Group**" refers to Aktiebolaget SKF (publ) and its subsidiaries.

"**Euroclear Nordics**" refers to Euroclear Nordics AB.

"**Nasdaq Stockholm**" refers to the Swedish regulated market Nasdaq Stockholm or its operator Nasdaq Stockholm AB, as the context may require.

"**SEK**", "**EUR**", "**USD**" and "**CNY**" refer to Swedish kronor, euro, U.S. dollars and Chinese renminbi, respectively. **B** indicates billion and **M** indicates millions.

SUMMARY

INTRODUCTION AND WARNINGS

Introduction and warning

This prospectus has been prepared in relation to the admission to trading of the shares in SKF Vertevo AB (publ) (corporate ID 559505-9022), Sven Wingquists Gata 2, SE-415 05 Gothenburg, Sweden, on Nasdaq Stockholm. The ISIN codes of the series A and series B shares are SE0030336236 and SE0030336244, respectively. SKF Vertevo's LEI code is 636700IK9V7O68VGRA55.

This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor. An investor 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 national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus, or where it does not provide, when read together with other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Competent authority

This prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*, the "**SFSA**"), which is the regulatory authority in Sweden responsible for approving the prospectus in accordance with the Prospectus Regulation. The contact details of the SFSA are P.O. Box 7821, SE-103 97 Stockholm, telephone number +46 (0)8 408 980 00, and website www.fi.se. The prospectus was approved by the SFSA on 10 November 2026.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

SKF Vertevo AB (publ) (corporate ID No. is 559505-9022) is the issuer of the securities under this prospectus. The Board of Directors of SKF Vertevo has its statutory seat (Sw. *säte*) in Gothenburg, Sweden. The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) incorporated in Sweden in 2024.
SKF Vertevo conducts operations in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). SKF Vertevo's LEI code is 636700IK9V7O68VGRA55.

Principal activities

SKF Vertevo is a global provider of customised automotive bearings and related products and solutions for passenger vehicles, commercial vehicles, two-/three-wheelers, high-performance vehicle applications and the vehicle aftermarket, with operations across Europe, Middle East and Africa ("**EMEA**"), the Americas, Asia-Pacific ("**APAC**") and India. The Group supplies products and related solutions for wheel-end, powertrain and drive-control applications, as well as repair and replacement needs across the vehicle lifecycle.

The Group serves customers through two primary channels: Original Equipment ("**OE**") and Vehicle Aftermarket ("**VA**"). In OE, SKF Vertevo serves global and regional Original Equipment Manufacturers ("**OEM**") and automotive Tier-1 suppliers. In VA, SKF Vertevo serves distributors, buying groups, retailers, workshops, fleet operators and digital marketplaces in the independent aftermarket, as well as OEMs' own aftersales channels (OES). The offering combines OE-derived repair and replacement solutions with technical training, dedicated repair tools, repair information, digital tutorials and application know-how.

Headquartered in Gothenburg, Sweden, SKF Vertevo has a global sales and research and development organisation, as well as a global manufacturing footprint and distribution network.

Major shareholders

As at the date of the prospectus, SKF Vertevo is a wholly-owned subsidiary of SKF. The ownership structure in SKF Vertevo will initially be identical to that of SKF on the record date for proposed distribution, with the adjustment that five (5) shares in SKF equate to one (1) share in SKF Vertevo. The table below shows SKF Vertevo's shareholders who have a direct or indirect holding in the Company that corresponds to 5 per cent or more of the shares or votes, under the assumption that the distribution of shares in SKF Vertevo had been completed with 30 September 2026 as the record date (with known changes thereafter) and that five (5) shares in SKF entitle the holder to one (1) share in SKF Vertevo. As of that date, SKF had 93,253 known shareholders.

Shareholder	Shares of series A	Shares of series B	Total number of shares	Shares, %	Votes, %
Wallenberg Investments Holdings AB*)	3,110,000	10,735,507	13,845,507	15.20	29.23
Cevian Capital	–	8,505,536	8,505,536	9.34	5.94
Other shareholders	2,673,611	66,045,559	68,719,170	75.46	64.83
Total	**5,783,611**	**85,286,602**	**91,070,213**	**100.0**	**100.0**

*) Formerly FAM AB.
Source: Modular Finance

Wallenberg Investments Holdings AB is expected to be able to exercise significant influence over SKF Vertevo in matters where the shareholders have voting rights. Such influence will, however, be limited by the rules on minority protection set out in the Swedish Companies Act.

Executive Management Team
In the table below, the members of SKF Vertevo's Executive Management Team, as of the date of this prospectus, are set forth.

Name	Position
Kerstin Enochsson	President and CEO
Niclas Sjöswärd	CFO, SVP Finance & IT
Fredrik Larsson	SVP Business Lines & Product Management
Olaf Henning	SVP Vehicle Aftermarket
Bastian Thomas	SVP EMEA, India & Americas
Hao Chu	SVP China & Asia Pacific
Antonio Molle	SVP Manufacturing Operations, Quality & EHS
Johan Lidell	SVP Procurement & Supply Chain
Federico Galetto	CTO, SVP R&D
Magnus Prick	General Counsel, SVP Legal & Compliance
Angela Toro	SVP People Experience & Communication

Auditor
Deloitte AB (Kyrkogatan 48, SE-411 08 Gothenburg, Sweden) is SKF Vertevo's auditor. Hans Warén is auditor-in-charge.

What is the key financial information regarding the issuer?
The combined historical financial information presented below for the financial years 2025 and 2024 (other than alternative performance measures, APMs) has been derived from SKF Vertevo's audited combined financial statements for each respective financial year, which have been prepared in accordance with IFRS® Accounting Standards as endorsed by the European Union (EU) (**"IFRS"**) and the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Financial Reporting Board. The combined historical financial information presented below for the nine months ended 30 September 2026 and 2025, respectively, (other than APMs) has been derived from SKF Vertevo's unaudited combined financial statements for the period January to September 2026, which have been prepared in accordance with IAS 34 (Interim Financial Reporting).

Combined income statement data

MSEK (unless otherwise stated)	2025	2024	Jan–Sep 2026	Jan–Sep 2025
Net sales	24,725	28,133	18,035	19,071
Operating profit[1)]	–657	1,230	–707	–244
Net profit	–1,122	971	–1,030	–554
Organic growth, %[1)]	–5.6	N/A	–2.2	N/A
Operating margin, %[1)]	–2.7	4.4	–3.9	–1.3
Earnings per share (SEK), before and after dilution	–13.26	9.85	–7.48	–6.51

1) Alternative performance measure (non-IFRS measure).

Combined balance sheets data

MSEK	31 Dec 2025	31 Dec 2024	30 Sep 2026	30 Sep 2025
Total assets	24,555	27,427	28,045	25,332
Total equity	10,511	14,425	13,030	12,869
Net debt[1)]	3,681	3,125	2,488	3,012

1) Alternative performance measure (non-IFRS measure).

Combined statement of cash flow data

MSEK	2025	2024	Jan–Sep 2026	Jan–Sep 2025
Net cash flow from operating activities	463	1,945	–2,375	–168
Net cash flow used in investing activities	–875	–1,005	–441	–634
Net cash flow from financing activities	1,251	663	–31	488
Net cash flow	839	1,603	–2,846	–313
Cash and cash equivalents at end of the period	1,332	1,173	2,083	1,346

What are the key risks that are specific to the issuer?

SKF Vertevo is exposed to risks relating to macroeconomic factors

SKF Vertevo is a global provider of bearing products and related solutions for passenger vehicles, commercial vehicles, two-/three-wheelers and the VA. The automotive bearings market is structurally linked to global vehicle production volumes, which fluctuate with consumer demand, industry-specific factors, general industrial production and investment levels. Macroeconomic conditions in the countries and regions where SKF Vertevo operates affect demand for its products, including the rate of growth in global and local economies, population growth and factors affecting prices. Demand is also influenced by consumer vehicle purchases, fleet investment levels, freight activity and vehicle utilisation rates. Negative economic developments, inflationary pressures and high interest rates, increased financing costs, a lengthy recession, periods of sustained unemployment, loss of consumer confidence and the risk of health crises as well as political instability, political uncertainties and armed conflicts could trigger a significant industry-wide decline in sales. The materialisation of macroeconomic risks could have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to risks relating to geopolitical conditions

SKF Vertevo operates a global manufacturing, engineering and distribution network serving OE and VA customers across multiple geographic regions and sources raw materials and components from suppliers located in multiple countries, including suppliers in certain geopolitically sensitive jurisdictions. Geopolitical tensions, including trade conflicts, export controls, tariffs, sanctions, civil unrest and armed conflicts, may restrict the availability of critical inputs, increase material and freight costs or delay shipments to and from SKF Vertevo's facilities. Disruptions to these flows can lead to production interruptions, need for increased working capital and negatively impact customer deliveries, and may also affect customer production schedules, delay vehicle programme launches, reduce vehicle production volumes and adversely affect demand for SKF Vertevo's products. The ongoing war in Ukraine has had, and continues to have, significant effects on the global economy. The geopolitical landscape has been further impacted by the instability in the Middle East region, the future developments of which remain uncertain. Such developments have contributed to increased transportation and input costs, including fuel-related freight costs, cost of material, and disruptions affecting the availability of raw materials, components and other manufacturing inputs used by SKF Vertevo and its suppliers. SKF Vertevo is also exposed to risks arising from economic or political sanctions, trade embargoes and trade tensions between major economies, and any increase in protectionist policies could adversely affect the Group's revenues, costs, business, results or prospects. Geopolitical developments and related disruptions could have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to risks relating to the automotive industry and vehicle aftermarket

The global automotive bearing market is undergoing significant structural transformation driven by electrification, digitalisation, changing customer requirements, increased emphasis on decarbonisation and the emergence of disruptive business models, which are altering demand patterns, shortening product and technology development cycles and intensifying competition. SKF Vertevo competes in several segments that are undergoing rapid technological and commercial change and changes in customer requirements, technology preferences or competitive dynamics may have a disproportionate impact on demand for SKF Vertevo's products. Different market segments within the automotive industry are also evolving in different directions, which requires SKF Vertevo to continuously adapt its product portfolio, technical capabilities and go-to-market approach across multiple segments simultaneously. Regional changes in vehicle production may also affect the utilisation and allocation of SKF Vertevo's manufacturing capacity, and manufacturing footprint adjustments or other operational improvement initiatives may require significant capital expenditures and result in material costs. Failure to anticipate or respond effectively to these industry shifts could result in higher costs and lost business opportunities or fewer business awards and, consequently, reduced revenues and profitability as well as impede the Company's ability to achieve its long-term strategic objectives. SKF Vertevo generates a significant share of its revenues from the VA, which is subject to structural shifts. If SKF Vertevo is unable to adapt its portfolio and commercial model to these dynamics, this could have a material adverse effect on its business, financial position and results of operations. Given the concentration of global vehicle production among a limited number of OEMs and the importance of long-term customer relationships and platform awards, even a relatively limited loss of market share or the loss of a key customer programme could have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to risks relating to competition and price pressure

SKF Vertevo operates in a highly competitive global automotive bearing market and competes against both global bearing manufacturers and regional competitors with differing competitive strengths and market positions. In the OEM market, competition for customer programmes and platform awards is driven by cost competitiveness, quality, engineering excellence, innovation, product range, speed, geographic flexibility in production and sustainability, while in the VA, real-time availability, breadth of range, price point, service level and brand strength are the key differentiators for demand. Increasing pricing pressure from competitors, customers, or market dynamics may force SKF Vertevo to lower prices, and if SKF Vertevo is unable to offset customer price reductions through productivity improvements or other measures, the Group could experience margin compression and reduced profitability. Failure by SKF Vertevo to successfully compete on these and other factors, or failure to keep pace with disruptive technologies could lead to loss of market share, margin compression and reduced profitability, any of which could have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to risks relating to its supply chain and sourcing

SKF Vertevo's manufacturing operations depend primarily on bearing steel and bearing steel components, as well as other direct and indirect materials, and on reliable access to electricity and gas. SKF Vertevo's bearing steel supply is geographically concentrated, with approximately 71 per cent of its steel sourced from APAC, of which approximately 53 per cent is sourced from China, and government-directed capacity decisions, export restrictions or tariff measures affecting Chinese steel may significantly affect the availability of steel for SKF Vertevo. This geographic concentration creates a risk of supply disruption, export restrictions or sudden price increases, and such risks may be exacerbated by geopolitical tensions or trade policy developments. SKF Vertevo's customer agreements typically include strict delivery obligations, and failure to meet agreed delivery schedules or quality standards may result in significant contractual liability. SKF Vertevo's manufacturing operations are integrated into complex global automotive supply chains and therefore also depend on the uninterrupted performance of suppliers, sub-suppliers, outsourcing partners, logistics providers, utility providers and other third parties throughout the

value chain. There is a risk that such parties may not be able to comply with agreed contractual terms or fulfil their intended obligations. Certain raw materials, specialised components and manufacturing inputs may only be available from a limited number of qualified suppliers, and requalification of alternative suppliers may be time-consuming. For certain specific products, SKF Vertevo depends on a single supplier for a substantial majority of its demand for such products, and contractual restrictions limit SKF Vertevo's ability to diversify its supply. The materialisation of supply chain and sourcing risks could result in production interruptions, quality issues, increased costs, reduced revenues, loss of customers or reputational damage, any of which could have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to risks relating to product development and innovation

SKF Vertevo's ability to compete successfully depends on its ability to develop new bearing solutions and to improve existing products to meet evolving customer requirements, particularly in relation to electrification, energy efficiency and digitalisation. Rapid shifts in automotive technology and shorter product lifecycles increase the pressure on SKF Vertevo's innovation capacity and development timelines. There is a risk that SKF Vertevo's research and development activities will not achieve their intended objectives or that competitors will develop better solutions and manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost. SKF Vertevo is dependent on contractual arrangements with SKF to access certain early stage technology development and the loss of such access may adversely affect the Group. As SKF Vertevo seeks to maintain and strengthen its position in electric vehicle applications and other technologically demanding segments, there is a risk that investments in new technologies, product development or validation activities do not generate the expected commercial returns, or that platform awards are secured by competitors with more advanced or cost-effective solutions. There is a risk that SKF Vertevo will not be able to develop new products or improve existing products in a timely manner, or at all, or that new products will not achieve market acceptance or win platform awards, this may have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to IT and cybersecurity risks

SKF Vertevo's operations depend on information technology (**"IT"**) systems for manufacturing processes, supply chain management, customer relationships and administrative functions. SKF Vertevo also relies on operational technology (**"OT"**) systems and digital infrastructure supporting manufacturing operations, engineering activities and production planning. SKF Vertevo's IT systems and OT systems are exposed to cybersecurity threats, which could lead to loss, theft or manipulation of data, and could also result in interruption of manufacturing operations. This risk is increased during periods of IT decoupling and restructuring, such as in connection with the separation from SKF. Cybersecurity incidents could also result in regulatory and contractual penalties. SKF Vertevo is also subject to increasing legal and customer requirements to adhere to information security standards, and OEMs and other customers are increasingly imposing rigorous requirements relating to cybersecurity, supply chain assurance and operational controls. Failure to meet or demonstrate such compliance could adversely affect SKF Vertevo's market access, commercial performance and customer confidence.

SKF Vertevo is exposed to risks relating to regulatory compliance and internal control

SKF Vertevo's operations are subject to extensive legal and regulatory requirements across multiple jurisdictions, and SKF Vertevo relies on internal control systems, compliance programmes and governance frameworks to ensure adherence. Following the separation from SKF, certain governance structures, compliance functions, reporting processes and internal control systems have been newly established or adapted, and may not operate as intended or may require further development. SKF Vertevo is subject to competition laws prohibiting anti-competitive agreements, abuse of dominant position and other anti-competitive practices, and violations could result in substantial fines as well as claims for damages and reputational harm. SKF Vertevo may occasionally be involved in investigations regarding alleged violations of anti-trust rules, as well as exposed to related private enforcement claims, class action claims and lawsuits. SKF Vertevo's international operations are also subject to trade compliance requirements, including trade regulations, export control rules, customs and import legislation and international sanctions and embargoes and there are corruption risks in several of the jurisdictions in which SKF Vertevo operates. Failures or weaknesses in internal controls, compliance programmes or governance processes, as well as alleged or actual violations of applicable laws and regulations, could result in substantial fines, regulatory sanctions, reputational damage, restrictions on market access and legal liabilities, any of which could have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to risks relating to industry-specific laws and regulations

SKF Vertevo's products and manufacturing operations are subject to extensive and continuously evolving regulatory requirements applicable to the automotive supply industry, and compliance is generally a prerequisite for supplying products to OEMs and automotive Tier-1 suppliers and participating in customer development programmes and platform awards. Changes in applicable requirements may require product redesigns, additional testing, recertification or modifications to manufacturing processes, which may be time-consuming and costly and may delay product launches. Regulatory requirements may differ between jurisdictions and evolve at different rates, and as SKF Vertevo supplies customers globally, the Group may be required to comply simultaneously with multiple regulatory and industry frameworks, thereby increasing complexity and compliance costs. Failure to comply with industry-specific laws and regulations, maintain required certifications or obtain necessary approvals could result in fines, penalties, loss of certifications, restrictions on market access, customer disqualification, delays in product launches, loss of platform awards, reputational damage and legal liabilities, any of which could have a material adverse effect on SKF Vertevo.

SKF Vertevo is exposed to currency exchange rate risks

SKF Vertevo conducts operations in approximately 40 countries and is subject to currency exchange rate risks arising from intra-group transactions between the Group's manufacturing companies and sales companies and from the sourcing of materials and products, export and import of products and sales outside the country of manufacture (transaction exposure), as well as through translation of results and net assets of foreign subsidiaries into SEK (translation exposure). There is a risk that neither hedging transactions carried out by SKF Vertevo (if any), nor SKF Vertevo's ability to increase prices to reduce the effects of changes in exchange rates will be sufficient to protect the Group from currency exchange movements.

SKF Vertevo is exposed to liquidity and financing risks
SKF Vertevo's liquidity may be affected by fluctuations in working capital requirements, particularly during periods of weaker demand and fluctuating vehicle production volumes, which may reduce operating cash flow and increase the need for external financing. Adverse developments in customer payment patterns, inventory levels or supplier payment terms may also reduce SKF Vertevo's financial flexibility. The Group is also exposed to the risk that financing of the Group's capital requirements and refinancing of existing borrowings may become more difficult, costly or impossible, which may in turn arise from matters outside of its control. Adverse changes in SKF Vertevo's business performance, customer payment delays, increased working capital requirements or restricted access to financing could reduce SKF Vertevo's liquidity and ability to meet its financial obligations. As a standalone listed company, SKF Vertevo's credit profile may be weaker than that of the SKF Group, which could result in higher borrowing costs or more restrictive financing terms in the future. Should SKF Vertevo experience liquidity constraints, be unable to access financing on acceptable terms, or fail to comply with financial covenants it could result in inability to fund operations or investments, forced asset sales, restrictions on business activities, increased financing costs, covenant breaches, acceleration of debt obligations, any of which could have a material adverse effect on SKF Vertevo.

SKF Vertevo will be dependent on SKF as supplier of contract manufacturing services
SKF Vertevo has entered into two contract manufacturing agreements with SKF pursuant to which the parties will manufacture and supply bearings, seals and certain related products for each other, generally intended as a temporary bridging solution until the parties have built up their own capacity or implemented alternative sourcing solutions. As the continuation of supply of certain products under the agreements is critical to SKF Vertevo's business operations, any failures by SKF to meet its obligations under the agreements, disagreements regarding their interpretation, early termination thereof or other significant disruptions, could have a material adverse effect on SKF Vertevo. Also, the agreements, including an exclusivity commitment and customer restrictions, may adversely affect commercial and operational flexibility and may result in adverse effects on profitability and results of operations due to their pricing model, certain reserve manufacturing capacity obligations and requirements for mutual consent for certain changes. The notice period for termination by convenience may provide insufficient time for SKF Vertevo to transition to an alternative supplier for critical products, and SKF Vertevo could be unable to fulfil contractual commitments to its customers, which could result in liability claims and loss of customers, which could have a material adverse effect on SKF Vertevo. SKF Vertevo's ability to seek compensation is subject to customary limitations of liability with limited exceptions and the remedies available to SKF Vertevo may be insufficient to fully compensate for the consequences of a material failure by the other party and may not fully cover SKF Vertevo's resulting liabilities and obligations towards its customers. This could, in turn, have a material adverse effect on SKF Vertevo.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?
This prospectus relates to the admission to trading of the series A shares in SKF Vertevo (ISIN code SE0030336236) and the series B shares in SKF Vertevo (ISIN code SE0030336244) on Nasdaq Stockholm. The shares have been issued in accordance with Swedish law, are fully paid and denominated in SEK. The quota value is SEK 1 per share.

As of the date of this prospectus, there are 91,070,213 shares, of which 5,783,611 are series A shares and 85,286,602 are series B shares, in SKF Vertevo.

Rights attached to the shares
Each series A share carries one (1) vote and each series B share carries one-tenth (1/10) of a vote at the General Meeting.

Should the Company decide to issue new series A and series B shares by means of a cash issue or an issue against payment through set-off of claims, the holders of series A and series B shares shall have a preferential right to subscribe to new shares of the same type in relation to the number of shares previously held by the holder (primary preferential right). Shares not subscribed to through a preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). If shares thus offered for subscription are insufficient for the subscription that takes place through a subsidiary preferential right, the shares shall be divided among subscribing parties in relation to the previous shareholding or, to the extent this cannot take place, by the drawing of lots. Should the Company decide to issue either series A or series B shares through a cash issue or an issue against payment through set-off of claims, all shareholders, regardless of whether their shares are series A or series B, shall be entitled to subscribe to new shares in relation to the number they held previously.

Series A and series B shares in the Company carry equal rights to participation in the Company's profit and any surplus in the event of liquidation. Holders recorded as owners of shares in the register of shareholders maintained by Euroclear Nordics on the record date established by the General Meeting will be entitled to receive dividends.

Owners of series A shares are entitled to request conversion of series A shares to series B shares.

The shares are freely transferable in accordance with Swedish law.

Dividend policy
According to SKF Vertevo's dividend policy, the ordinary dividend pay-out ratio should amount to 30 to 50 per cent of SKF Vertevo's average net profit calculated over a business cycle. SKF Vertevo's dividend policy is based on the principle that the total dividend should be adapted to the trend for earnings and cash flow, while considering the Group's development potential and financial position.

Where will the securities be traded?
The shares will be traded on Nasdaq Stockholm. The ticker for the shares of series A and B will be SKFVER A and SKFVER B, respectively.

What are the key risks that are specific to the securities?
The share price can be volatile and the share price development is affected by several factors
Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The performance of the SKF Vertevo share will depend on multiple factors, some of which are company- and/or industry-specific, whilst others are related to broader stock market development. The share price may, for example, be affected by supply and demand dynamics, fluctuations in SKF Vertevo's actual or projected financial results, changes in earnings forecasts, failure to meet analysts' expectations, or failure to achieve financial or operational targets. The share price may also be affected by general economic conditions, changes in regulatory frameworks, geopolitical

developments, or transactions involving significant shareholders. The price of SKF Vertevo's share may therefore fluctuate substantially over time, which could have a material adverse effect on the value of an investor's shareholding.

SKF Vertevo's ability to pay future dividends depends on several factors
Payment of dividends may only take place if there are distributable funds held by SKF Vertevo and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met under applicable law. Such requirements depend on SKF Vertevo's equity, consolidation needs, liquidity and position in general for a certain financial year. Furthermore, future dividends, and the size of any such dividends, depend on SKF Vertevo's future results, financial position, cash flows, working capital requirements, capital expenditure needs, debt service obligations, compliance with financial covenants and other factors. There is a risk that distributable dividends will not be available in any financial year which would reduce return on an investor's invested capital.

An active, liquid and functioning trading market for SKF Vertevo's shares may not emerge following the listing
Prior to the listing on Nasdaq Stockholm, no public market exists for SKF Vertevo's shares. Following the distribution and listing of SKF Vertevo's shares on Nasdaq Stockholm, there is a risk that the trading market for SKF Vertevo's shares may be less active than the market for SKF's shares. Low liquidity of SKF Vertevo's shares may result in difficulties in selling shares of SKF Vertevo at a point in time that is considered desirable for the shareholder or at a price level that could be obtained if a favourable liquidity situation prevailed. Furthermore, there is a risk that the liquidity of SKF Vertevo's series A shares will be more limited than the liquidity of SKF Vertevo's series B shares (among other things due to lower number of series A shares and shareholders). This presents a significant risk for single shareholders, in particular holders of series A shares.

KEY INFORMATION ON ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?
The prospectus does not relate to any offer. The shares in SKF Vertevo are distributed to the shareholders of SKF in proportion to each shareholder's holdings of shares in SKF on the record date for distribution (27 November 2026), as determined by the Board of Directors of SKF. Every five (5) shares of series A in SKF entitle to one (1) share of series A in SKF Vertevo and every five (5) shares of series B in SKF entitle to one (1) share of series B in SKF Vertevo. Since this prospectus does not relate to any offer, no dilution effect will arise.

Admission to trading on Nasdaq Stockholm
The Board of Directors of SKF Vertevo has applied for the listing of the Company's shares on Nasdaq Stockholm. Nasdaq Stockholm decided on 24 September 2026 to approve SKF Vertevo's application for admission of the Company's shares to trading on Nasdaq Stockholm provided that certain customary conditions are fulfilled. The first day of trading is expected to be 1 December 2026.

Transaction costs
The total transaction costs for the split of the SKF Group are estimated to be approximately BSEK 3.0, including separation costs of BSEK 2.9 and listing costs for the proposed distribution of the shares in SKF Vertevo of BSEK 0.1, whereof SKF Vertevo's costs are estimated at approximately BSEK 2.2. The remaining transaction costs in the fourth quarter of 2026 are estimated to be approximately BSEK 0.2, out of which BSEK 0.1 will be borne by SKF Vertevo.

Why is this prospectus being produced?
Background and reasons
SKF's shareholders decided at the Extraordinary General Meeting on 1 October 2026, in accordance with the proposal by the Board of Directors of SKF, to distribute all shares in its wholly-owned subsidiary SKF Vertevo to the shareholders of SKF. The Board of Directors of SKF Vertevo has applied for the listing of the Company's shares on Nasdaq Stockholm, with the first day of trading expected to be 1 December 2026.

On 17 September 2024, the Board of Directors of SKF announced its decision to initiate a separation of the SKF Group's automotive business, SKF Vertevo, from the rest of the SKF Group. The decision followed a multi-year strategic review and organisational initiatives dating back to February 2022, when the automotive business was given a more independent operating model to position it for long-term success. As a standalone listed entity, SKF Vertevo intends to maintain a clear focus on opportunities to enhance customer value and strengthen its competitive position. The separation is expected to support the Group's development as a specialised global automotive business with dedicated management focus and independent capital allocation. This is intended to enhance management's flexibility in prioritising investments and executing SKF Vertevo's strategic priorities, including initiatives aimed at improving operational efficiency and supporting profitable growth. SKF Vertevo also intends to continue strengthening its innovation capabilities, maintaining its position in core product categories and pursuing opportunities to expand its addressable market. A lean operating model and the ongoing transformation towards a more automotive-adapted value chain are intended to support SKF Vertevo's efforts to improve speed, efficiency and competitiveness over time.

Material conflicts of interest
Morgan Stanley & Co. International plc (**"Morgan Stanley"**) and Skandinaviska Enskilda Banken AB (**"SEB"**) provide financial advice to SKF Vertevo in conjunction with the distribution and the listing on Nasdaq Stockholm. From time to time, Morgan Stanley (and its affiliates) and SEB (and its affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to SKF Vertevo for which they have received, and may receive, compensation. Furthermore, SEB is a provider of a revolving credit facility to SKF Vertevo.

SAMMANFATTNING

INLEDNING OCH VARNING

Inledning och varning

Detta prospekt har upprättats med anledning av upptagandet till handel av aktierna i SKF Vertevo AB (publ) (organisationsnummer 559505-9022), Sven Wingquists Gata 2, 415 05, Göteborg, på Nasdaq Stockholm. ISIN-koden för A- och B-aktierna är SE0030336236 respektive SE0030336244. SKF Vertevos LEI-kod är 636700IK9V7O68VGRA55.

Denna sammanfattning bör betraktas som en introduktion till prospektet. Varje beslut om att investera i värdepapperen ska baseras på en bedömning av prospektet i dess helhet från investerarens sida. En investerare kan förlora hela eller delar av sitt investerade kapital. Om yrkande avseende uppgifterna i prospektet anförs vid domstol kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för översättning av prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som har lagt fram sammanfattningen, inklusive översättningar av den, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av prospektet eller om den inte, tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare när de överväger att investera i sådana värdepapper.

Behörig myndighet

Detta prospekt har godkänts av Finansinspektionen som är behörig myndighet i Sverige för godkännande av prospekt enligt Prospektförordningen. Kontaktinformationen till Finansinspektionen är Box 7821, 103 97 Stockholm, telefonnummer +46 (0)8 408 980 00 och hemsida www.fi.se. Prospektet godkändes av Finansinspektionen den 10 november 2026.

NYCKELINFORMATION OM EMITTENTEN

Vem är emittenten av värdepapperen?

SKF Vertevo AB (publ) (organisationsnummer 559505-9022) är emittent av värdepapperen enligt detta prospekt. SKF Vertevos styrelse har sitt säte i Göteborg. Bolaget är ett svenskt publikt aktiebolag som bildades i Sverige 2024. Bolaget bedriver sin verksamhet i enlighet med aktiebolagslagen (2005:551). SKF Vertevos LEI-kod är 636700IK9V7O68VGRA55.

Huvudsaklig verksamhet

SKF Vertevo är en global leverantör av kundanpassade fordonslager samt relaterade produkter och lösningar för personbilar, kommersiella fordon, två-/trehjulingar, högpresterande fordon och fordonseftermarknaden. Verksamheten bedrivs i Europa, Mellanöstern och Afrika (”**EMEA**”), Amerika, Asien och Stillahavsområdet (”**APAC**”) samt Indien. Koncernen tillhandahåller produkter och relaterade lösningar för hjullager, drivlina och drivstyrning samt för reparations- och utbytesbehov under fordonets hela livscykel.

Koncernen når sina kunder genom två huvudkanaler: originalutrustning (”**OE**”) och fordonseftermarknaden (”**VA**”). Inom OE vänder sig SKF Vertevo till globala och regionala tillverkare av originalutrustning (”**OEM**”) samt Tier 1-leverantörer till fordonsindustrin. Inom VA vänder sig SKF Vertevo till distributörer, inköpsgrupper, återförsäljare, verkstäder, vagnparksoperatörer och digitala handelsplattformar på den oberoende eftermarknaden, samt OEMs egna eftermarknadskanaler (OES). Utbudet kombinerar OE-baserade reparations- och utbyteslösningar med teknisk utbildning, specialverktyg, reparationsinformation, digitala handledningar och applikationskunskap.

SKF Vertevo har sitt huvudkontor i Göteborg och en global organisation för försäljning samt forskning och utveckling, liksom ett globalt tillverknings- och distributionsnätverk.

Större aktieägare

Per dagen för detta prospekt är SKF Vertevo ett helägt dotterbolag till SKF. Ägarstrukturen i SKF Vertevo kommer initialt att vara densamma som i SKF på avstämningsdagen för den föreslagna utdelningen, med justeringen att fem (5) aktier i SKF motsvarar en (1) aktie i SKF Vertevo. Tabellen nedan visar SKF Vertevos aktieägare som har ett direkt eller indirekt innehav i Bolaget som motsvarar 5 procent eller mer av antalet aktier eller röster, under antagandet att utdelningen av aktier i SKF Vertevo hade genomförts med avstämningsdag den 30 september 2026 (med därefter kända förändringar) och att fem (5) aktier i SKF berättigar till en (1) aktie i SKF Vertevo. Per den dagen hade SKF 93 253 kända aktieägare.

Aktieägare	Aktier av serie A	Aktier av serie B	Totalt antal aktier	Aktier, %	Röster, %
Wallenberg Investments Holdings AB*)	3 110 000	10 735 507	13 845 507	15,20	29,23
Cevian Capital	–	8 505 536	8 505 536	9,34	5,94
Övriga aktieägare	2 673 611	66 045 559	68 719 170	75,46	64,83
Totalt	**5 783 611**	**85 286 602**	**91 070 213**	**100,0**	**100,0**

*) Tidigare FAM AB.
Källa: Modular Finance

Wallenberg Investments Holdings AB förväntas kunna utöva ett betydande inflytande över SKF Vertevo i frågor där aktieägarna har rösträtt. Sådant inflytande kommer emellertid begränsas av bestämmelserna om minoritetsskydd i aktiebolagslagen.

Koncernledning

Av tabellen nedan framgår medlemmarna i SKF Vertevos koncernledning per dagen för detta prospekt.

Namn	Befattning
Kerstin Enochsson	VD och koncernchef
Niclas Sjöswärd	CFO, SVP Finance & IT
Fredrik Larsson	SVP Business Lines & Product Management
Olaf Henning	SVP Vehicle Aftermarket
Bastian Thomas	SVP EMEA, India & Americas
Hao Chu	SVP China & Asia Pacific
Antonio Molle	SVP Manufacturing Operations, Quality & EHS
Johan Lidell	SVP Procurement & Supply Chain
Federico Galetto	CTO, SVP R&D
Magnus Prick	General Counsel, SVP Legal & Compliance
Angela Toro	SVP People Experience & Communication

Revisor

Deloitte AB (Kyrkogatan 48, 411 08 Göteborg) är SKF Vertevos revisor. Hans Warén är huvudansvarig revisor.

Finansiell nyckelinformation för emittenten

Den sammanslagna historiska finansiella information som presenteras nedan för räkenskapsåren 2025 och 2024 (med undantag för alternativa nyckeltal) har hämtats från SKF Vertevos reviderade sammanslagna finansiella rapporter för respektive räkenskapsår, vilka har upprättats i enlighet med IFRS® Accounting Standards såsom de har antagits av Europeiska unionen (”**IFRS**”) och den svenska rekommendationen RFR 1 ”Kompletterande redovisningsregler för koncerner” samt tillämpliga uttalanden utfärdade av Svenska Redovisningsrådet. Den sammanslagna historiska finansiella informationen som presenteras nedan för de nio månader som slutade den 30 september 2026 respektive 2025 (med undantag för alternativa nyckeltal) har hämtats från SKF Vertevos oreviderade sammanslagna finansiella rapporter för perioden januari till september 2026, vilka har upprättats i enlighet med IAS 34 (Delårsrapportering).

Sammanslagen resultaträkning i sammandrag

MSEK (om inte annat anges)	2025	2024	Jan–sep 2026	Jan–sep 2025
Nettoomsättning	24 725	28 133	18 035	19 071
Rörelseresultat	–657	1 230	–707	–244
Periodens resultat	–1 122	971	–1 030	–554
Organisk tillväxt, %[1)]	–5,6	N/A	–2,2	N/A
Rörelsemarginal, %[1)]	–2,7	4,4	–3,9	–1,3
Resultat per aktie (SEK), före och efter utspädning	–13,26	9,85	–7,48	–6,51

1) Alternativt nyckeltal (icke-IFRS-mått).

Sammanslagen balansräkning i sammandrag

MSEK	31 dec 2025	31 dec 2024	30 sep 2026	30 sep 2025
Summa tillgångar	24 555	27 427	28 045	25 332
Summa eget kapital	10 511	14 425	13 030	12 869
Nettoskuldsättning[1)]	3 681	3 125	2 488	3 012

1) Alternativt nyckeltal (icke-IFRS-mått).

Sammanslagen kassaflödesanalys i sammandrag

MSEK	2025	2024	Jan–sep 2026	Jan–sep 2025
Nettokassaflöde från den löpande verksamheten	463	1 945	–2 375	–168
Nettokassaflöde från investeringsaktiviteter	–875	–1 005	–441	–634
Nettokassaflöde från finansieringsaktiviteter	1 251	663	–31	488
Nettokassaflöde	839	1 603	–2 846	–313
Likvida medel vid periodens slut	1 332	1 173	2 083	1 346

Specifika nyckelrisker för emittenten

SKF Vertevo är föremål för risker relaterade till makroekonomiska faktorer

SKF Vertevo är en global leverantör av lagerprodukter och tillhörande lösningar för lätta fordon, kommersiella fordon, två-/trehjulingar samt eftermarknaden för fordon. Marknaden för fordonslager är strukturellt kopplad till den globala fordonsproduktionen, som varierar beroende på konsumenternas efterfrågan, branschspecifika faktorer, den allmänna industriproduktionen och investeringsnivåerna. Makroekonomiska förhållanden i de länder och regioner där SKF Vertevo bedriver verksamhet påverkar efterfrågan på dess produkter, däribland tillväxttakten i den globala och lokala ekonomin, befolkningsökningen samt faktorer som påverkar priserna. Efterfrågan påverkas även av konsumenternas fordonsinköp, investeringsnivåerna i fordonsflottor, godstransporter och fordonens utnyttjandegrad. Negativ ekonomisk utveckling, inflationstryck och höga räntor, ökade finansieringskostnader, en långvarig recession, perioder av ihållande arbetslöshet, förlorat konsumentförtroende och risken för hälsokriser, liksom politisk instabilitet, politisk osäkerhet och väpnade konflikter, skulle kunna utlösa en betydande branschomfattande försäljningsnedgång. Om de makroekonomiska riskerna förverkligas kan detta ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för risker relaterade till geopolitiska förhållanden

SKF Vertevo driver ett globalt nätverk för tillverkning, konstruktion och distribution som vänder sig till OE-kunder och kunder på fordonseftermarknaden i flera geografiska regioner och köper in råvaror och komponenter från leverantörer i flera länder, däribland leverantörer i vissa geopolitiskt känsliga områden. Geopolitiska spänningar, såsom handelskonflikter, exportkontroller, tullar, sanktioner, inre oroligheter och väpnade konflikter, kan begränsa tillgången på kritiska insatsvaror, öka material- och fraktkostnaderna eller fördröja leveranser till och från SKF Vertevos anläggningar. Störningar i dessa flöden kan leda till produktionsavbrott, behov av ökat rörelsekapital och negativt påverka leveranser till kunder, samt kan påverka kundernas produktionsscheman, fördröja lanseringar av fordonsprogram, minska fordonsproduktionsvolymerna och negativt påverka efterfrågan på SKF Vertevos produkter. Det pågående kriget i Ukraina har haft, och fortsätter att ha, betydande effekter på den globala ekonomin. Det geopolitiska läget har påverkats ytterligare av den instabila situationen i Mellanöstern, vars framtida utveckling fortfarande är osäker. Dessa händelser har bidragit till ökade transport- och insatskostnader, bland annat bränslerelaterade fraktkostnader, materialkostnader samt störningar som påverkar tillgången på råvaror, komponenter och andra insatsvaror som används av SKF Vertevo och dess leverantörer. SKF Vertevo är även utsatt för risker som härrör från ekonomiska eller politiska sanktioner, handelsembargon och handelsspänningar mellan stora ekonomier, och varje ökning av protektionistiska åtgärder kan påverka Koncernens intäkter, kostnader, verksamhet, resultat eller framtidsutsikter negativt. Geopolitiska händelser och därmed sammanhängande störningar kan ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för risker relaterade till fordonsindustrin och fordonseftermarknaden

Den globala marknaden för lager till fordonsindustrin genomgår en betydande strukturell omvandling som drivs av elektrifiering, digitalisering, förändrade kundkrav, ökat fokus på utfasning av fossila bränslen och framväxten av disruptiva affärsmodeller, vilket förändrar efterfrågemönstren, förkortar produkt- och teknikutvecklingscyklerna och intensifierar konkurrensen. SKF Vertevo konkurrerar inom flera segment som genomgår snabba tekniska och kommersiella förändringar, och förändringar i kundkrav, teknikpreferenser eller konkurrensdynamik kan ha en oproportionerligt stor inverkan på efterfrågan på SKF Vertevos produkter. Olika marknadssegment inom fordonsindustrin utvecklas dessutom i olika riktningar, vilket kräver att SKF Vertevo kontinuerligt anpassar sin produktportfölj, sina tekniska resurser och sin marknadsföringsstrategi över flera segment samtidigt. Regionala förändringar i fordonsproduktionen kan också ha en inverkan på utnyttjandegraden och allokeringen av SKF Vertevos produktionskapacitet, och anpassningar av produktionsstrukturen eller andra initiativ för att förbättra verksamheten kan kräva betydande investeringar och resultera i väsentliga kostnader. Om Koncernen inte förutser eller reagerar effektivt på dessa branschförändringar kan det leda till högre kostnader och förlorade affärsmöjligheter eller färre nomineringar och därmed minskade intäkter och lönsamhet, samt hindra dess förmåga att uppnå sina långsiktiga strategiska mål. SKF Vertevo genererar en betydande andel av sina intäkter från fordonseftermarknaden, som omfattas av strukturella förändringar. Om SKF Vertevo inte kan anpassa sin portfölj och affärsmodell till denna dynamik kan detta ha en väsentlig negativ inverkan på dess verksamhet, finansiella ställning och resultat. Då den globala fordonsproduktionen är koncentrerad till ett begränsat antal OEM-tillverkare och på grund av vikten av långsiktiga kundrelationer och plattformsnomineringar, kan till och med en relativt begränsad förlust av marknadsandelar eller förlusten av ett viktigt kundprogram ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för risker relaterade till konkurrens och prispress

SKF Vertevo är verksamt på en mycket konkurrensutsatt global marknad för fordonslager och konkurrerar både med globala lagertillverkare och regionala konkurrenter med olika konkurrensfördelar och marknadspositioner. På OEM-marknaden drivs konkurrensen om kundprogram och plattformskontrakt av kostnadskonkurrenskraft, kvalitet, teknisk kompetens, innovation, produktsortiment, snabbhet, geografisk flexibilitet i produktionen och hållbarhet, medan de viktigaste faktorerna som påverkar efterfrågan på fordonseftermarknaden är tillgänglighet i realtid, bredden på sortimentet, prisnivå, servicenivå och varumärkesstyrka. Ökande prispress från konkurrenter och kunder eller marknadsdynamiken kan tvinga SKF Vertevo att sänka priser, och om SKF Vertevo inte kan kompensera för kundernas prissänkningar genom produktivitetsförbättringar eller andra åtgärder kan Koncernen drabbas av marginalpress och minskad lönsamhet. Om SKF Vertevo inte lyckas konkurrera framgångsrikt med avseende på dessa och andra faktorer, eller inte lyckas hålla jämna steg med disruptiva teknologier, kan detta leda till förlust av marknadsandelar, minskade marginaler och minskad lönsamhet, vilket i sig kan ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för risker relaterade till dess leveranskedja och inköp

SKF Vertevos tillverkningsverksamhet är i första hand beroende av lagerstål och lagerstålkomponenter, liksom av andra direkta och indirekta material, samt av en tillförlitlig tillgång till el och gas. SKF Vertevos stålleveranser är geografiskt koncentrerade, där cirka 71 procent av lagerstålet kommer från APAC-regionen, varav cirka 53 procent från Kina, och statliga beslut om produktionskapacitet, exportrestriktioner eller tullåtgärder som påverkar kinesiskt stål kan väsentligt påverka tillgången på lagerstål för SKF Vertevo. Denna geografiska koncentration medför en risk för leveransstörningar, exportrestriktioner eller plötsliga prisökningar och sådana risker kan förvärras av geopolitiska spänningar eller utveckling inom handelspolitik. SKF Vertevos kundavtal innehåller vanligtvis strikta leveransförpliktelser, och underlåtenhet att uppfylla överenskomna leveransscheman eller kvalitetsstandarder kan leda

till betydande kontraktuellt ansvar. SKF Vertevos tillverkningsverksamhet är integrerad i komplexa globala leveranskedjor inom fordonsindustrin och är därför också beroende av att leverantörer, underleverantörer, outsourcingpartner, logistikleverantörer, leverantörer av allmännyttiga tjänster och andra tredje parter i hela värdekedjan bedriver sin verksamhet utan avbrott. Det finns en risk att sådana parter inte kan följa överenskomna avtalsvillkor eller fullgöra sina åtaganden. Vissa råvaror, specialkomponenter och insatsvaror för tillverkningen kan endast erhållas från ett begränsat antal kvalificerade leverantörer, och omkvalificering av alternativa leverantörer kan vara tidskrävande. För vissa specifika produkter är SKF Vertevo beroende av en enda leverantör för en betydande majoritet av sin efterfrågan av dessa produkter, och avtalsmässiga begränsningar hindrar SKF Vertevo från att diversifiera sin försörjning. Om risker kopplade till leveranskedjan och inköp skulle realiseras kan detta leda till produktionsavbrott, kvalitetsproblem, ökade kostnader, minskade intäkter, förlust av kunder eller renommèskada, vilket i sin tur kan ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för risker kopplade till produktutveckling och innovation

SKF Vertevos möjlighet att konkurrera framgångsrikt är beroende av dess förmåga att utveckla nya lagerlösningar och förbättra befintliga produkter för att möta kundernas föränderliga krav, särskilt när det gäller elektrifiering, energieffektivitet och digitalisering. Snabba förändringar inom fordonsteknik och kortare produktlivscykler ökar trycket på SKF Vertevos innovationsförmåga och utvecklingstider. Det finns en risk att SKF Vertevos forsknings- och utvecklingsverksamhet inte uppnår sina avsedda mål eller att konkurrenter utvecklar bättre lösningar och tillverkar de resulterande produkterna snabbare, i större volymer, med högre kvalitet och/eller till lägre kostnad. SKF Vertevo är beroende av avtalsarrangemang med SKF för att få tillgång till viss teknikutveckling i ett tidigt skede, och om sådan tillgång skulle gå förlorad kan det ha en negativ inverkan på Koncernen. Eftersom SKF Vertevo strävar efter att behålla och stärka sin position inom produkter för elfordon och andra tekniskt krävande segment finns det en risk att investeringar i ny teknik, produktutveckling eller valideringsaktiviteter inte genererar den förväntade kommersiella avkastningen, eller att plattformskontrakt tillfaller konkurrenter med mer avancerade eller kostnadseffektiva lösningar. Det finns en risk att SKF Vertevo inte kommer att kunna utveckla nya produkter eller förbättra befintliga produkter i tid, eller alls, och att nya produkter inte vinner marknadens acceptans eller tilldelas plattformsnomineringar, vilket kan ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för IT- och cybersäkerhetsrisker

SKF Vertevos verksamhet är beroende av system för informationsteknik (”**IT**”) för tillverkningsprocesser, hantering av leveranskedjor, kundrelationer och administrativa funktioner. SKF Vertevo förlitar sig även på system för operativ teknik (”**OT**”) och digital infrastruktur som stöder dess tillverkningsverksamhet, ingenjörsverksamhet och produktionsplanering. SKF Vertevos IT- och OT-system är utsatta för cybersäkerhetshot vilket kan leda till förlust, stöld eller manipulation av data, vilket även kan leda till avbrott i tillverkningsverksamheten. Denna risk ökar under perioder av IT-avkoppling och omstrukturering, till exempel i samband med avskiljningen från SKF. Cybersäkerhetsincidenter kan också leda till regulatoriska och kontraktuella påföljder. SKF Vertevo är dessutom föremål för ökande lagkrav och kundkrav på att följa informationssäkerhetsstandarder och OEM-tillverkare samt andra kunder ställer i allt högre utsträckning stränga krav avseende cybersäkerhet, säkerhet i leveranskedjan och operativa kontroller. Om dessa krav inte efterlevs eller om det inte kan visas att de efterlevs skulle det kunna ha en negativ inverkan på SKF Vertevos marknadstillträde, kommersiella utveckling och kundernas förtroende.

SKF Vertevo är föremål för risker relaterade till regelefterlevnad och internkontroll

SKF Vertevos verksamhet är föremål för omfattande lagstadgade och regleringsmässiga krav i flertalet jurisdiktioner och SKF Vertevo förlitar sig på interna kontrollsystem, compliance-program och styrningsmodeller för att säkerställa efterlevnad. Efter separationen från SKF har vissa styrningsprogram, compliance-funktioner, rapporteringsprocesser och interna kontrollsystem nyligen inrättats eller anpassats, och dessa kanske inte fungerar som avsett eller kan behöva vidareutvecklas. SKF Vertevo omfattas av konkurrenslagstiftning som förbjuder konkurrensbegränsande avtal, missbruk av dominerande ställning och andra konkurrensbegränsande metoder, och överträdelser av dessa kan leda till betydande böter samt skadeståndskrav och skada på Koncernens anseende. SKF Vertevo kan emellanåt vara föremål för utredningar rörande påstådda överträdelser av konkurrensregler, liksom utsättas för relaterade civilrättsliga anspråk, grupptalan och stämningar. SKF Vertevos internationella verksamhet omfattas även av krav på efterlevnad av handelsregler, exportkontrollregler, tull- och importlagstiftning samt internationella sanktioner och embargon, och det föreligger korruptionsrisker i flera av de jurisdiktioner där SKF Vertevo bedriver verksamhet. Brister eller svagheter i interna kontroller, compliance-program eller styrningsmodeller, liksom påstådda eller faktiska överträdelser av tillämpliga lagar och förordningar, kan leda till betydande böter, sanktioner från tillsynsmyndigheter, renommèskada, begränsningar av marknadstillträde och rättsligt ansvar, varav var och en kan ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för risker relaterade till branschspecifika lagar och regler

SKF Vertevos produkter och tillverkningsverksamhet omfattas av omfattande och ständigt föränderliga lagkrav som gäller för underleverantörsindustrin inom fordonsbranschen. Efterlevnad av dessa krav är i allmänhet en förutsättning för att kunna leverera produkter till OEM-tillverkare och Tier 1-leverantörer inom fordonsbranschen samt för att kunna delta i kundernas utvecklingsprogram och plattformsnomineringar. Förändringar i tillämpliga krav kan kräva omarbetning av produkter, ytterligare tester, omcertifiering eller förändringar i tillverkningsprocesser, vilket kan vara tidskrävande och kostsamt samt leda till förseningar i produktlanseringar. Regleringskrav kan variera mellan olika jurisdiktioner och utvecklas i olika takt, och eftersom SKF Vertevo levererar till kunder globalt kan Koncernen tvingas följa flera olika regelverk och branschramverk samtidigt, vilket ökar komplexiteten och kostnaderna för regelefterlevnad. Underlåtenhet att följa branschspecifika lagar och föreskrifter, upprätthålla erforderliga certifieringar eller erhålla nödvändiga godkännanden kan leda till böter, påföljder, förlust av certifieringar, begränsningar av marknadstillträde, diskvalificering av kunder, förseningar av produktlanseringar, förlust av plattformsutmärkelser, renommèskada och rättsligt ansvar, varav var och en kan ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo är föremål för valutaväxlingsrisker

SKF Vertevo bedriver verksamhet i cirka 40 länder och är föremål för valutakursrisker som härrör från koncerninterna transaktioner mellan koncernens tillverkningsbolag och försäljningsbolag samt från inköp av material och produkter, export och import av produkter och försäljning utanför tillverkningslandet (transaktionsrisker), liksom genom omräkning av resultat och nettotillgångar för utländska dotterbolag till SEK (omräkningsrisker). Det finns en risk att varken de säkringstransaktioner som SKF Vertevo genomför (i den mån sådana förekommer) eller SKF Vertevos förmåga att höja priserna för att minska effekterna av valutakursförändringar kommer att vara tillräckliga för att skydda Koncernen mot valutakursförändringar.

SKF Vertevo är föremål för risker relaterade till likviditet och finansiering
SKF Vertevos likviditet kan påverkas av fluktuationer i rörelsekapitalbehovet, särskilt under perioder med svagare efterfrågan och varierande produktionsvolymer för fordon, vilket kan minska det operativa kassaflödet och öka behovet av extern finansiering. En negativ utveckling av kundernas betalningsmönster, lagernivåer eller leverantörernas betalningsvillkor kan också minska SKF Vertevos finansiella flexibilitet. Koncernen är dessutom föremål för risken att finansieringen av Koncernens kapitalbehov och refinansieringen av befintliga lån kan bli svårare, kostsammare eller omöjlig, vilket i sin tur kan bero på omständigheter utanför Koncernens kontroll. Negativa förändringar i SKF Vertevos affärsutveckling, försenade betalningar från kunder, ökat behov av rörelsekapital eller begränsad tillgång till finansiering kan minska SKF Vertevos likviditet och förmåga att fullgöra sina finansiella åtaganden. Som ett fristående börsnoterat bolag kan SKF Vertevos kreditprofil vara svagare än SKF-koncernens, vilket i framtiden kan leda till högre lånekostnader eller mer restriktiva finansieringsvillkor. Om SKF Vertevo skulle drabbas av likviditetsbegränsningar, inte kunna få tillgång till finansiering på acceptabla villkor eller inte uppfylla finansiella åtaganden kan detta leda till oförmåga att finansiera verksamheten eller investeringar, tvångsförsäljning av tillgångar, begränsningar av affärsverksamheten, ökade finansieringskostnader, brott mot åtaganden eller förtida förfall av skuldförpliktelser, vilket i sig kan ha en väsentlig negativ inverkan på SKF Vertevo.

SKF Vertevo kommer att vara beroende av SKF som leverantör av kontraktstillverkningstjänster
SKF Vertevo har ingått två kontraktstillverkningsavtal med SKF, enligt vilka parterna ska tillverka och leverera lager, tätningar och vissa relaterade produkter till varandra. Avtalen är generellt avsedda att fungera som en tillfällig övergångslösning tills parterna har byggt upp sin egen kapacitet att tillverka de berörda produkterna eller har infört alternativa inköpslösningar. Eftersom en fortsatt leverans av vissa produkter enligt kontraktstillverkningsavtalen är kritisk för SKF Vertevos affärsverksamhet kan eventuell underlåtenhet från SKFs sida att fullgöra sina skyldigheter enligt respektive avtal, meningsskiljaktigheter angående tolkningen av dessa, förtida uppsägning av dessa eller andra betydande störningar, ha en väsentlig negativ inverkan på SKF Vertevo. Dessutom kan avtalen, inklusive ett exklusivitetsåtagande och kundbegränsningar, ha en negativ inverkan på den kommersiella och operativa flexibiliteten och kan resultera i negativa effekter på lönsamheten och rörelseresultatet på grund av deras prissättningsmodell, vissa skyldigheter avseende reservkapacitet samt krav på ömsesidigt samtycke vid vissa förändringar. Dessutom kan uppsägningstiden vid uppsägning utan särskild grund innebära att SKF Vertevo inte har tillräckligt med tid för att byta till en alternativ leverantör för kritiska produkter och SKF Vertevo kan komma att bli oförmöget att fullgöra sina avtalsenliga förpliktelser gentemot sina kunder, vilket skulle kunna leda till skadeståndsanspråk och förlust av kunder, vilket i sin tur skulle kunna ha en väsentlig negativ inverkan på SKF Vertevo. SKF Vertevos möjlighet att kräva ersättning omfattas av sedvanliga ansvarsbegränsningar med begränsade undantag och de påföljder som står till parternas förfogande kan vara otillräckliga för att fullt ut kompensera för konsekvenserna av ett väsentligt avtalsbrott från den andra partens sida och kanske inte fullt ut täcker SKF Vertevos därav följande ansvar och skyldigheter gentemot sina respektive kunder. Detta kan i sin tur ha en väsentlig negativ inverkan på SKF Vertevo.

NYCKELINFORMATION OM VÄRDEPAPPEREN

Värdepapperens viktigaste egenskaper
Detta prospekt avser upptagande till handel av aktierna av serie A i SKF Vertevo (ISIN-kod SE0030336236) och aktierna av serie B i SKF Vertevo (ISIN-kod SE0030336244) på Nasdaq Stockholm. Aktierna är utfärdade enligt svensk rätt, fullt betalda och denominerade i SEK. Kvotvärdet per aktie är 1 SEK.

Per dagen för detta prospekt finns det 91 070 213 aktier i SKF Vertevo, varav 5 783 611 aktier av serie A och 85 286 602 aktier av serie B.

Rättigheter som sammanhänger med värdepapperen
Varje aktie av serie A har en (1) röst och varje aktie av serie B har en tiondels (1/10) röst på bolagsstämman.

Om Bolaget beslutar om kontantemission eller kvittningsemission av aktier av serie A eller B ska innehavare av aktier av serie A och serie B ha företrädesrätt att teckna nya aktier av samma aktieslag i förhållande till det antal aktier innehavaren äger (primär företrädesrätt). Aktier som inte tecknas med primär företrädesrätt ska erbjudas samtliga aktieägare (sekundär företrädesrätt). Om inte sålunda erbjudna aktier räcker för den teckning som sker med subsidiär företrädesrätt, ska aktierna fördelas mellan tecknarna i förhållande till det antal aktier de förut äger och i den mån detta inte kan ske, genom lottning. Beslutar Bolaget att genom kontantemission eller kvittningsemission ge ut aktier endast av serie A eller serie B, ska samtliga aktieägare, oavsett om deras aktier är av serie A eller serie B, äga företrädesrätt att teckna nya aktier i förhållande till det antal aktier de förut äger.

Aktier av serie A och serie B har lika rätt till andel av Bolagets vinst och överskott vid likvidation. Rätt till utdelning tillkommer den som på den av bolagsstämman fastställda avstämningsdagen är registrerad som aktieägare i den av Euroclear Nordics förda aktieboken.

Innehavare av aktier av serie A har rätt att begära omvandling av aktier av serie A till aktier av serie B.

Aktierna är fritt överlåtbara i enlighet med svensk lag.

Utdelningspolicy
Enligt SKF Vertevos utdelningspolicy ska den ordinarie utdelningen uppgå till 30 till 50 procent av SKF Vertevos genomsnittliga nettoresultat, beräknat över en konjunkturcykel. SKF Vertevos utdelningspolicy bygger på principen att den totala utdelningen ska anpassas till resultatutvecklingen och kassaflödet, med beaktande av Koncernens utvecklingspotential och finansiella ställning.

Var kommer värdepapperen att handlas?
Aktierna kommer att handlas på Nasdaq Stockholm. Kortnamnet för aktierna av serie A och B kommer att vara SKFVER A och SKFVER B.

Vilka nyckelrisker är specifika för värdepapperen?
Aktiekursen kan vara volatil och kursutvecklingen är beroende av flera faktorer
Eftersom en investering i aktier kan öka eller minska i värde finns det en risk att investerarna inte får tillbaka sitt investerade kapital. SKF Vertevos aktiekursutveckling är beroende av en rad faktorer, varav en del är företags- och/eller branschspecifika, medan andra är knutna till den allmänna utvecklingen på aktiemarknaden. Aktiekursen kan till exempel påverkas av utbud och efterfrågan, variationer i SKF Vertevos faktiska eller förväntade resultat, förändringar i resultatprognoser, oförmåga att nå analytikernas resultatförväntningar eller misslyckande att uppnå finansiella eller operativa mål.

Aktiekursen kan också påverkas av allmänna ekonomiska förhållanden, förändringar av regulatoriska förhållanden, geopolitiska händelser eller transaktioner som involverar betydande aktieägare. Kursen på SKF Vertevos aktie kan därför fluktuera avsevärt över tid, vilket kan ha en väsentlig negativ inverkan på värdet av en investerares aktieinnehav.

SKF Vertevos förmåga att i framtiden lämna utdelning är beroende av flera faktorer
Utdelning får endast ske om det finns utdelningsbara medel hos SKF Vertevo och under förutsättning att kraven för framtida utdelningar, samt storleken, omfattningen och riskerna med sådana utdelningar, uppfylls enligt tillämplig lagstiftning. Dessa krav är beroende av SKF Vertevos eget kapital, konsolideringsbehov, likviditet och ställning i övrigt för ett visst räkenskapsår. Vidare påverkas SKF Vertevos möjlighet att lämna utdelning i framtiden, och storleken på sådana utdelningar, av Koncernens framtida resultat, finansiella ställning, kassaflöden, rörelsekapitalsbehov, investeringsbehov, skuldtjänstförpliktelser, efterlevnad av finansiella villkor och andra faktorer. Det finns en risk att utdelningsbara medel inte finns tillgängliga under ett visst räkenskapsår, vilket skulle minska avkastningen på en investerares investerade kapital.

Det finns en risk att det inte kommer att utvecklas en aktiv, likvid och fungerande marknad för handel i SKF Vertevos aktier
Före noteringen på Nasdaq Stockholm finns det ingen marknad för aktierna i SKF Vertevo. Efter utdelningen och noteringen av SKF Vertevos aktier på Nasdaq Stockholm finns det en risk att marknaden för SKF Vertevos aktier kommer att vara mindre aktiv än marknaden för handel i SKFs aktie. Låg likviditet i SKF Vertevos aktier kan medföra svårigheter att sälja aktier i SKF Vertevo vid den tidpunkt som aktieägaren önskar eller till ett pris som skulle kunna erhållas om en gynnsam likviditetssituation rådde. Vidare finns det en risk att likviditeten för SKF Vertevos aktier av serie A blir mer begränsad än likviditeten för SKF Vertevos aktier av serie B (bland annat på grund av ett lägre antal aktier av serie A och aktieägare). Detta utgör en betydande risk för enskilda aktieägare, i synnerhet innehavare av aktier av serie A.

NYCKELINFORMATION OM UPPTAGANDET TILL HANDEL PÅ REGLERAD MARKNAD

På vilka villkor och enligt vilken tidplan kan jag investera i detta värdepapper?
Prospektet avser inte något erbjudande. Aktierna i SKF Vertevo kommer att delas ut till aktieägarna i SKF i proportion till varje aktieägares innehav i SKF på den av SKFs styrelse bestämda avstämningsdagen för utdelning (27 november 2026). För varje fem (5) aktier av serie A i SKF erhålls en (1) aktie av serie A i SKF Vertevo och för varje fem (5) aktier av serie B i SKF erhålls en (1) aktie av serie B i SKF Vertevo. Eftersom detta prospekt inte avser något erbjudande kommer det inte att uppstå någon utspädningseffekt.

Upptagande till handel på Nasdaq Stockholm
SKF Vertevos styrelse har ansökt om upptagande till handel av Bolagets aktier på Nasdaq Stockholm. Nasdaq Stockholm har den 24 september 2026 beslutat att godkänna SKF Vertevos ansökan om upptagande av Bolagets aktier till handel på Nasdaq Stockholm under förutsättning att vissa sedvanliga villkor uppfylls. Första dag för handel förväntas bli den 1 december 2026.

Transaktionskostnader
De totala transaktionskostnaderna för uppdelningen av SKF-koncernen uppskattas uppgå till cirka 3,0 BSEK, innefattande separationskostnader om 2,9 BSEK och noteringskostnader för den föreslagna utdelningen av aktierna i SKF Vertevo om 0,1 BSEK, varav SKF Vertevos kostnader uppskattas till cirka 2,2 BSEK. De återstående transaktionskostnaderna i fjärde kvartalet 2026, uppskattas till cirka 0,2 BSEK, varav 0,1 BSEK kommer bäras av SKF Vertevo.

Varför upprättas detta prospekt?
Bakgrund och motiv
SKFs aktieägare beslutade vid extra bolagsstämma den 1 oktober 2026, i enlighet med förslaget från SKFs styrelse, att dela ut samtliga aktier i det helägda dotterbolaget SKF Vertevo till aktieägarna i SKF. SKF Vertevos styrelse har ansökt om notering av Bolagets aktier på Nasdaq Stockholm, med första handelsdag beräknad till den 1 december 2026.

Den 17 september 2024 offentliggjorde SKFs styrelse sitt beslut att inleda en separation av SKF-koncernens fordonsverksamhet, SKF Vertevo, från resten av SKF-koncernen. Beslutet följde på en flerårig strategisk översyn och organisatoriska initiativ som sträcker sig tillbaka till februari 2022, då fordonsverksamheten gavs en mer självständig verksamhetsmodell i syfte att positionera verksamheten för långsiktig framgång. Som ett självständigt börsnoterat bolag avser SKF Vertevo att bibehålla ett tydligt fokus på möjligheter att öka kundvärdet och stärka sin konkurrenskraft. Separationen förväntas stödja Koncernens utveckling som en specialiserad global aktör inom fordonsindustrin, med dedikerat ledningsfokus och en självständig kapitalallokering. Detta är avsett att ge ledningen ökad flexibilitet att prioritera investeringar och genomföra SKF Vertevos strategiska prioriteringar, inklusive initiativ som syftar till att förbättra den operationella effektiviteten och främja lönsam tillväxt. SKF Vertevo avser även att stärka sin innovationsförmåga, bibehålla sin position inom centrala produktkategorier och tillvarata möjligheter att utöka sin adresserbara marknad. En effektiv verksamhetsmodell samt den pågående omställningen mot en värdekedja som är bättre anpassad till fordonsindustrin är avsedda att stödja SKF Vertevos arbete med att över tid förbättra snabbheten, effektiviteten och konkurrenskraften.

Väsentliga intressekonflikter
SKF Vertevos finansiella rådgivare i samband med utdelningen och upptagandet till handel på Nasdaq Stockholm är Morgan Stanley & Co. International plc (”**Morgan Stanley**”) och Skandinaviska Enskilda Banken AB (”**SEB**”). Morgan Stanley (och dess närstående företag) och SEB (och dess närstående företag) har från tid till annan inom ramen för den löpande verksamheten tillhandahållit, och kan i framtiden komma att tillhandahålla, olika bank-, finansiella-, investerings-, kommersiella och andra tjänster åt SKF Vertevo för vilka de har erhållit, respektive kan komma att erhålla, ersättning. Vidare tillhandahåller SEB en revolverande kreditfacilitet till SKF Vertevo.

RISK FACTORS

An investment in securities is associated with risk. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to SKF Vertevo and the future performance of the shares, for example risks related to SKF Vertevo's operations and industry, legal risks, financial risks, risks related to the distribution of the SKF Vertevo shares and risks related to the nature of the securities and the admission of the securities to trading on a regulated market. The risk factors currently deemed material to SKF Vertevo and the shares are described below. The risk factors' materiality has been assessed based on the probability of their occurrence and the expected magnitude of their negative outcome. In each subsection, the risk factors currently deemed most material are presented first, but otherwise the risk factors are not ranked in any specific order of importance. The description of the risk factors below is based on information available and estimates made on the date of this prospectus.

RISKS RELATED TO SKF VERTEVO

Risks related to SKF Vertevo's operations and industry

SKF Vertevo is exposed to risks relating to macroeconomic factors

SKF Vertevo is a global provider of bearing products and related solutions for passenger vehicles, commercial vehicles, two-/three-wheelers and the vehicle aftermarket (the "**VA**"), with a diversified customer base and operations across Europe, Middle East and Africa ("**EMEA**"), the Americas, Asia-Pacific ("**APAC**")[1] and India. Geographically, SKF Vertevo generated 44 per cent, 29 per cent, 18 per cent and 9 per cent of its net sales in 2025 from EMEA, the Americas, APAC and India, respectively. Passenger vehicles, commercial vehicles, two-/three-wheelers and VA represented 45 per cent, 16 per cent, 4 per cent and 35 per cent, respectively, of the Group's net sales in 2025. The automotive bearings market is structurally linked to global vehicle production volumes: in 2025, global passenger vehicle production, excluding Russia, totalled approximately 92 million units and global commercial vehicle production approximately 3.5 million units.[2] These volumes fluctuate with consumer demand, industry-specific factors, general industrial production and investment levels. Underlying growth in automotive bearing demand is expected to remain modest in the near term, in line with softer overall economic conditions in the United States, APAC and EMEA.[3] Macroeconomic conditions in the countries and regions where SKF Vertevo operates affect demand for its products, including the rate of growth in global and local economies, population growth and factors affecting prices (such as currency rate fluctuations, tariffs and other measures restricting trade, commodity and energy prices and inflation). Demand for SKF Vertevo's products is also influenced by consumer vehicle purchases, fleet investment levels, freight activity and vehicle utilisation rates, which may be adversely affected during periods of economic uncertainty or economic downturns.

SKF Vertevo's original equipment ("**OE**") customer base is concentrated among a limited number of global and regional automotive Original Equipment Manufacturers ("**OEMs**") and automotive Tier-1 suppliers. In 2025, SKF Vertevo's largest ten customers represented 45 per cent of the Group's net sales. Since demand for bearings is closely linked to OEM production volumes, macroeconomic downturns or weaker economic conditions in key automotive regions may lead to reductions in OEM production schedules and fleet investment activity, which in turn reduces demand for SKF Vertevo's products. For example, challenging market conditions in 2024 contributed to lower demand and an organic decrease in SKF Vertevo's net sales, illustrating the sensitivity of volumes to macroeconomic shifts. Consequently, any significant decline in OEM production volumes or regional economic slowdowns could have a material adverse effect on SKF Vertevo's operations and financial position. Although SKF Vertevo also serves the VA, which benefits from recurring replacement demand, prolonged economic weakness may adversely affect demand across both OE and VA channels through lower vehicle production, reduced fleet investment, lower vehicle utilisation and reduced discretionary maintenance and repair spending.

1) Unless otherwise indicated, references to APAC exclude India.
2) S&P Global. Light Vehicle Production Forecast, Medium/Heavy CV Model Production, Online database, August 2026.
3) The Market Insight and SKF Vertevo's assessment. See also "*Information about the prospectus–Industry and market data*".

Negative economic developments, inflationary pressures and high interest rates, increased financing costs, a lengthy recession, periods of sustained unemployment, loss of consumer confidence and the risk of health crises similar to the COVID-19 pandemic, as well as political instability, political uncertainties and armed conflicts such as the ongoing Russia-Ukraine war and the 2026 conflict involving Iran, Israel and the United States, are risks which could trigger a significant industry-wide decline in sales. Historical downturns in the automotive sector have shown that reductions in global vehicle production are typically accompanied by lower demand for bearings and related components. For example, the global light vehicle production declined by 16.1 per cent during 2020, driven by the COVID-19 pandemic and subsequent supply chain disruptions, including semiconductor shortages.[1] SKF's Automotive segment reported a 16.5 per cent decline in net sales during the same period.[2] Macroeconomic uncertainty may also cause OEMs and automotive Tier-1 suppliers to delay vehicle programme launches, reduce production volumes, postpone capital expenditures or implement inventory reductions, each of which may adversely affect demand for SKF Vertevo's products. For example, weakened demand and increased macroeconomic uncertainty contributed to automotive light vehicle production in Europe declining at a compound annual growth rate (**"CAGR"**) of approximately –3.4 per cent between 2018 and 2026.[3] Such changes in customer demand may impact both the Group's net sales and profitability as SKF Vertevo may not be able to adjust manufacturing operations and overhead structures at the same rate. Uncertainty about future economic and industry conditions makes it challenging for SKF Vertevo to forecast its operating results, make informed business decisions, and identify and prioritise the risks that may affect its businesses, sources and uses of cash and financial condition.

The materialisation of macroeconomic risks could have a material adverse effect on SKF Vertevo's business, revenues, financial position and results of operations.

SKF Vertevo is exposed to risks relating to geopolitical conditions

SKF Vertevo operates a global manufacturing, engineering and distribution network serving OE and VA customers across EMEA, the Americas, APAC and India. As a result, SKF Vertevo is exposed to geopolitical developments that may disrupt international trade, supply chains, transportation networks, energy markets, customer production volumes and access to key markets. The current geopolitical environment remains highly dynamic and is subject to rapid and often unpredictable developments, which may adversely affect SKF Vertevo's business and results of operations.

SKF Vertevo operates ten technical centres, 16 manufacturing facilities and a global distribution network including nine kitting centres, 52 warehouses and 31 remote local stock locations in multiple geographic regions. The Group also sources materials and components from suppliers and serves customers across numerous jurisdictions. As a result, SKF Vertevo is exposed to disruptions arising from geopolitical tensions, trade disputes, sanctions regimes and regional instability. Such factors may cause disturbance to SKF Vertevo's global supply chain and operations. SKF Vertevo's raw materials and components are sourced from suppliers located in approximately 50 countries for direct material and 48 countries for indirect material, including suppliers in certain geopolitically sensitive jurisdictions such as China, Taiwan and Ukraine. A significant share of global automotive production and supply chain is concentrated in Asia, and geopolitical developments affecting such regions may therefore have a disproportionate impact on SKF Vertevo's customers, suppliers and end markets.

Geopolitical tensions, including trade conflicts, export controls, tariffs, sanctions, civil unrest and armed conflicts, may restrict the availability of critical inputs, increase material and freight costs or delay shipments to and from SKF Vertevo's facilities. The automotive industry relies on highly integrated, cross-border supply chains, and SKF Vertevo's bearings and related components are frequently transported internationally during sourcing, production and delivery. Disruptions to these flows can lead to production interruptions, need for increased working capital and negatively impact customer deliveries (see also "*SKF Vertevo is exposed to risks relating to its supply chain and sourcing*" below). Such disruptions may also affect customer production schedules, delay vehicle programme launches, reduce vehicle production volumes and adversely affect demand for SKF Vertevo's products.

The ongoing war in Ukraine has had, and continues to have, significant effects on the global economy, including increased and volatile commodity prices, volatility in the financial markets, global inflation and increased energy prices, which have increased production costs. The Group operates a manufacturing facility in Lutsk in western Ukraine with 556 employees as of 30 September 2026. The Group continues to regularly re-evaluate the risks associated with its ongoing operations in Ukraine. For example, the Group's Lutsk facility was struck by a missile attack in 2023, resulting in the deaths of three employees, injuries to several others, and substantial damage to the factory. The geopolitical landscape has been further impacted by the instability in the Middle East region, the future developments of which remain uncertain. This includes the 2026 conflict involving Iran, Israel and the United States, which has, for example, affected shipping in the Strait of Hormuz, a strategically significant maritime route for global energy supplies and international trade. Moreover, the conflict has extended beyond Iran's borders to other parts of the Middle East. Such developments have contributed to increased transportation and input costs, including fuel-related freight costs, cost of material, and disruptions affecting the availability of raw materials, components and other manufacturing inputs used by SKF Vertevo and its suppliers.

Other hostilities, such as attacks (and retaliatory military actions) on shipping in the Red Sea, as well as increasing military activity and broader regional tensions in the Taiwan Strait and the South China Sea, and heightened geopolitical tensions in other regions, including parts of Latin America and the Arctic region, all of which remain highly uncertain in nature, magnitude and duration, complicate the current global geopolitical situation. In particular, disruptions affecting major shipping routes, energy markets or regions that account for a significant share of global vehicle production may adversely affect SKF Vertevo's sourcing activities, manufacturing operations, logistics flows and customer demand. APAC

1) S&P Global. Light Vehicle Production Forecast, Online database, June 2026.
2) SKF Annual Report 2020.
3) S&P Global. Light Vehicle Production Forecast, Online database, June 2026.

represents the world's largest market for automotive bearings, accounting for 44 per cent of global automotive passenger vehicle bearing demand and 47 per cent of global commercial vehicle bearing demand in 2025.[1] Geopolitical developments affecting China, including escalating U.S.-China trade tensions, imposition of tariffs, export controls or import restrictions, localisation requirements or disruptions arising from tensions in the Taiwan Strait or the South China Sea, may therefore have a disproportionate impact on SKF Vertevo's revenues, customer and supplier relationships, manufacturing operations and competitive position. Such developments may also disrupt the availability of components, raw materials, specialised manufacturing equipment and other critical inputs used throughout the automotive supply chain, resulting in production interruptions, longer lead times and increased costs. For example, in 2025, export restriction arising from geopolitical tensions involving China and the Netherlands disrupted Nexperia's supply of critical automotive semiconductors from China, contributing to shortages and sudden production interruptions across parts of the automotive industry, which in turn affected demand for certain components supplied by SKF Vertevo. In addition, the Chinese automotive market is undergoing rapid structural change driven by the growth of domestic electric vehicle ("**EV**") OEMs, which may alter customer relationships and competitive dynamics for suppliers, such as SKF Vertevo, not only in China. More broadly, increased geopolitical tensions, including disputes concerning territorial integrity, shifts in security arrangements or a weakening of international or multilateral cooperation frameworks, could contribute to heightened political and economic uncertainty. Further geopolitical tensions, combined with, for example, inflationary pressures and elevated interest rates, could contribute to prolonged economic uncertainty and a sustained period of weaker economic growth in certain of SKF Vertevo's markets (see "*SKF Vertevo is exposed to risks relating to macroeconomic factors*" above).

SKF Vertevo is also exposed to risks arising from economic or political sanctions, trade embargoes and trade tensions between major economies, including the United States, the European Union and other key trading blocs. Any increase in protectionist policies (including in the form of retaliatory tariffs) could adversely affect the Group's revenues, costs, business, results or prospects. The global trend towards regionalisation may further result in international and/or regional trade measures, which may change rapidly, for example by causing retaliatory measures against sanctions as well as increased tariffs. These issues create a complex business environment and increase SKF Vertevo's risk exposure. Sanctions frameworks differ across jurisdictions, change frequently and may be imposed with limited advance notice. Non-compliance, whether direct or through dealings with non-compliant counterparties, may result in fines, contractual liabilities, loss of business or the inability to serve customers in restricted markets (see also "*SKF Vertevo is exposed to risks relating to tariffs and trade restrictions*" below).

Geopolitical developments and related disruptions could result in production interruptions, increased sourcing and logistics costs, loss of access to affected markets, inventory write-downs, asset impairments, sanctions-related penalties and adverse impacts on customer relationships. Any such events could have a material adverse effect on SKF Vertevo's business, results of operations and financial position.

SKF Vertevo is exposed to risks relating to the automotive industry and vehicle aftermarket

The global automotive bearing market is undergoing significant structural transformation driven by electrification, digitalisation, changing customer requirements, increased emphasis on decarbonisation and the emergence of disruptive business models, which are altering demand patterns, shortening product and technology development cycles and intensifying competition. SKF Vertevo serves customers across the passenger vehicle, commercial vehicle, two-/three-wheelers, high-performance vehicle and VA categories and competes in several segments that are undergoing rapid technological and commercial change. As a result, changes in customer requirements, technology preferences or competitive dynamics may have a disproportionate impact on demand for SKF Vertevo's products. For example, electrification is reshaping demand for bearing solutions, and increasing demand for low-friction, high-efficiency bearings designed to reduce energy losses. These shifts require SKF Vertevo to adapt its commercial offering and positioning across segments.

Different market segments within the automotive industry are evolving in different directions. The light vehicle market is driven primarily by electrification, energy efficiency and reduction of emissions, while the commercial vehicle market is driven primarily by total cost of ownership and integrated systems. Electrification is becoming increasingly important in the commercial vehicle market, particularly in China and Europe, with adoption being driven by city distribution and regional logistics applications. The VA is increasingly influenced by changing buying patterns, increasing complexity and new distribution channels. These diverging market dynamics require SKF Vertevo to continuously adapt its product portfolio, technical capabilities and go-to-market approach across multiple segments simultaneously. Regional changes in vehicle production may also affect the utilisation and allocation of SKF Vertevo's manufacturing capacity. For example, the combined production of light vehicles and medium- and heavy-duty commercial vehicles in Europe declined by 19 per cent between 2019 and 2025.[2] During this period, the Group did not close any manufacturing facilities in the region, negatively affecting factory utilisation rates. A sustained decline could continue to adversely affect the Group's cost competitiveness, financial position and results of operations, while manufacturing footprint adjustments or other operational improvement initiatives may require significant capital expenditures and result in material costs (see also "*SKF Vertevo is exposed to risks relating to its technical centres and operational facilities*" below).

In 2025, EVs[3] accounted for approximately 18 million of the approximately 92 million passenger vehicles produced globally, with EV penetration expected to grow further over the coming years.[4] SKF Vertevo manufactures advanced bearing products, including ceramic bearings, current-insulated bearings, conductive brush solutions, high-speed and ultra-low friction designs, and its future growth is partly dependent on continued and growing demand for

1) The Market Insight and SKF Vertevo's assessment.
2) S&P Global. Light Vehicle Production Forecast, Medium/Heavy CV Model Production, Online database, August 2026.
3) EVs refers to battery- and fuel-cell-powered vehicles, including hybrid vehicles with a battery capacity exceeding 20 kWh.
4) S&P Global. Engine Production Forecast, Online database, August 2026.

advanced bearing solutions across both electrified and internal combustion engine platforms. However, the pace of EV adoption differs across regions and vehicle categories and may develop differently than anticipated. In particular, there is uncertainty as to whether demand for conventional bearings used in internal combustion engine vehicles and traditional drivetrain platforms will remain stable, recover or continue to decline relative to current projections. If the transition towards electrified vehicles is slower than anticipated, demand for SKF Vertevo's advanced bearing products may develop below expectations. Furthermore, if demand for conventional bearings declines slower than currently anticipated, SKF Vertevo's profitability could be adversely affected. These shifts have required SKF Vertevo to adapt its commercial offering and positioning across segments. However, changing customer demand in North America drove many cancellations of EV platforms of automotive manufacturers, such as Stellantis, General Motors, Ford and Honda, during 2025. Lower demand for EVs in North America than previously expected was also one of the factors underlying the consolidation of the Company's manufacturing footprint, including the closure of the Group's manufacturing facility in Monterrey, Mexico, in 2026. Failure to anticipate or respond effectively to these industry shifts could result in higher cost and lost business opportunities or fewer business awards and, consequently, reduced revenues and profitability. It could also impede the Company's ability to achieve its long-term strategic objectives, which could have a material adverse effect on SKF Vertevo's financial position.

SKF Vertevo generates a significant share of its revenues from the VA, which is influenced by the size, age and utilisation of the vehicle parc, repair rates, maintenance patterns, channel inventories and the competitiveness of the Group's product offering. Although the aftermarket generally benefits from recurring replacement demand, such demand is subject to structural shifts. Improved component durability, longer service intervals, increased vehicle reliability, changes in driving patterns, lower annual mileage and the growing share of electrified vehicles may reduce replacement frequency for certain bearing-related products or alter demand by product category, region and vehicle type. EVs contain fewer rotating drivetrain components than internal combustion engine vehicles, which may structurally reduce aftermarket demand for certain products. Furthermore, particularly for newer and more software-intensive vehicle platforms, a growing share of the vehicle parc may be retained within authorised dealer networks, reducing the addressable independent aftermarket. If SKF Vertevo is unable to adapt its portfolio and commercial model to these dynamics, this could have a material adverse effect on its business, financial position and results of operations.

New entrants and digital platforms may intensify price pressure and shift demand, requiring accelerated investments. Industry consolidation may provide competitors with scale advantages and faster innovation capabilities. The global bearing market is characterised by consolidation, with the top five manufacturers accounting for more than half of the market in 2025, and by the importance of global brands.[1)] Beyond established global players, SKF Vertevo also faces competition from a growing group of Asian bearing manufacturers who are entering global markets with large cost-competitive manufacturing bases and improving product quality, challenging incumbents on price, speed and materials innovation. The rise of new EV OEMs, particularly from China, is further compressing product development cycles and driving annual cost-reduction demands from bearing suppliers, intensifying price pressure in OEM supply relationships. In the VA, the digitalisation of distribution channels through online marketplaces is shifting how parts are selected, ordered and fulfilled, which may alter competitive dynamics and require SKF Vertevo to even further adapt its distribution strategy and service model to maintain its competitive position. Disruptive technologies and business models could more broadly require SKF Vertevo to reposition and adapt or risk losing market share or key customers. See also "*SKF Vertevo is exposed to risks relating to competition and price pressure*" below.

SKF Vertevo serves global and regional OEMs and automotive Tier-1 suppliers, as well as distributors, workshops and fleet operators in the independent aftermarket. SKF Vertevo's ten largest customers accounted for 45 per cent of the Group's net sales in 2025. The loss of one or more of SKF Vertevo's largest customers, or a significant reduction in order volumes from such customers, could have a material adverse effect on SKF Vertevo's business, financial position and results of operations. SKF Vertevo's relationships with OEMs and automotive Tier-1 suppliers often extend across multiple vehicle generations and involve extensive engineering collaboration, testing, validation and co-development activities. Revenue associated with vehicle platforms is typically dependent on SKF Vertevo successfully securing and retaining platform awards. Failure to win future platform awards, delays in customer vehicle programmes or the loss of existing platform positions may adversely affect SKF Vertevo's future revenues, market position and growth prospects. Given the concentration of global vehicle production among a limited number of OEMs and the importance of long-term customer relationships and platform awards, even a relatively limited loss of market share or the loss of a key customer programme could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo's customers may also experience financial difficulties or other challenges that could affect their demand or ability to pay for SKF Vertevo's products (see also "*SKF Vertevo is exposed to credit risk*" below). SKF Vertevo's relationships with its customers are also subject to various other risks, including changes in customer requirements, increased price pressure, changes in customer purchasing patterns and industry consolidation, which may increase customer bargaining power. For example, the intense competition in the Chinese OEM market, driven by production overcapacity, may force less competitive players to exit, merge or restructure, resulting in the loss of existing SKF Vertevo customers in that market. Any of the foregoing could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to its strategy and financial targets

SKF Vertevo's ability to create value as a standalone company depends on the successful execution of its business strategy, which is built on three strategic pillars: (i) growth, (ii) efficiency and (iii) speed. Attached to these pillars are initiatives such as continuing to grow in core categories, expanding its addressable market, maintaining and strengthening its position in innovation and operating a lean company setup as a focused automotive business

1) The Market Insight and SKF Vertevo's assessment.

to enhance responsiveness and execution supported by artificial intelligence (“**AI**”) and technology. The successful execution of the strategy depends on a number of factors, including SKF Vertevo’s ability to maintain and strengthen customer relationships, secure future platform awards, successfully develop and commercialise new products, adapt to technological developments, expand in selected market segments, improve operational efficiency and cost competitiveness, leverage its sustainability performance and realise the expected benefits of operating as an independent company. These objectives require significant management attention, capital investments, continued innovation, effective allocation of resources and the successful execution of multiple operational initiatives across the organisation. There is a risk that SKF Vertevo may not be able to execute its strategy as planned, or within the expected timeframes, due to internal or external factors such as changes in market conditions, increased competitive pressure, cost inflation, supply chain constraints, organisational complexity, resource constraints, challenges in the simultaneous execution of multiple strategic initiatives or broader macroeconomic or geopolitical developments (see “*SKF Vertevo is exposed to risks relating to macroeconomic factors*” above and “*SKF Vertevo is exposed to risks relating to geopolitical conditions*” above).

SKF Vertevo has approved financial targets in respect of revenue, profitability, leverage and capital efficiency. These financial targets constitute forward-looking information and could differ materially from actual results. Furthermore, the financial targets are based on a number of key assumptions that are subject to considerable uncertainty, including, for example, assumptions regarding stable, long-term global demand for automotive bearings and SKF Vertevo’s aftermarket portfolio, SKF Vertevo’s ability to maintain or improve market share through innovation and brand positioning, its customer and product portfolio management, disciplined cost management to mitigate input cost volatility and ongoing improvements in operational efficiency. The financial targets are intended to be achieved on a medium-term/long-term horizon, and do not incorporate the impact of extraordinary events beyond typical business cycle variability. Accordingly, adverse macroeconomic or geopolitical developments could affect the timing or attainment of these targets. There is a risk that the assumptions underlying SKF Vertevo’s financial targets will turn out to be inaccurate and that the anticipated benefits of strategic initiatives, investments or operational improvements will not be realised within the expected timeframe or at all.

If SKF Vertevo is unable to successfully execute its business strategy, or if external factors materially impair its ability to do so, the Group could experience loss of market share, reduced revenues, margin compression, failure to achieve its strategic and financial targets and weakened competitiveness, any of which could have a material adverse effect on SKF Vertevo’s business, financial position, results of operations and prospects.

SKF Vertevo is exposed to risks relating to competition and price pressure

SKF Vertevo operates in a highly competitive global automotive bearing market. Competition varies across product segments and geographic markets, with SKF Vertevo competing against both global bearing manufacturers and regional competitors with differing competitive strengths and market positions. In the OEM market, competition for customer programmes and platform awards is driven by cost competitiveness, quality, engineering excellence, innovation, product range, speed, geographic flexibility in production and sustainability. By comparison, availability, fitment accuracy and dependable fulfilment are the fundamental requirements, with breadth of range, price point, service level and brand strength being further drivers of demand in VA. The global automotive bearing market can broadly be divided into three different groups of competitors: global majors, comprising large, established multinational bearing manufacturers with broad, full-line product portfolios, extensive engineering resources as well as worldwide manufacturing and distribution capabilities; scale challengers, comprising primarily Asian bearing manufacturers with domestic manufacturing capacity who are actively seeking qualifications with international OEMs and investing in distribution infrastructure to support broader geographic reach; and emerging brands, comprising smaller and more regionally focused bearing manufacturers. SKF Vertevo primarily competes in the premium segment of the automotive bearing market, where customer purchasing decisions are influenced by factors such as product performance, reliability, responsiveness, engineering support and long-term customer relationships. However, scale challengers may seek to gain market share through lower pricing, investments in manufacturing capacity, technological developments or stronger local and global market positions. Increasing pricing pressure from competitors, customers, or market dynamics may force SKF Vertevo to lower prices. A price reduction across SKF Vertevo’s automotive customer base would reduce the Group’s margins and threaten its profitability. If SKF Vertevo is unable to offset customer price reductions through productivity improvements or other measures, the Group could experience margin compression and reduced profitability. In addition, limited, inaccurate or delayed information regarding customer demand, competitive developments, input costs or market conditions may result in non-optimal pricing decisions, which may adversely affect profitability and competitiveness.

Firstly, competitors may find better and more cost-efficient ways to produce and distribute products, or develop superior product solutions and disruptive technologies. Secondly, competition may also intensify as competitors improve product quality, manufacturing efficiency, technical capabilities or customer service levels. Lastly, competitors may seek to utilise overcapacity or enter new markets by accepting business at low margins in order to establish or expand their market position. For example, SKF Vertevo has observed that recent sourcing events for vehicle programmes in Europe have closed at very low price levels, driven by a combination of new competitors with low-cost manufacturing bases entering the European automotive supplier market and excess capacity among established competitors. Competitive factors, including increased price competition, the development and introduction of new products by competitors, changes in market penetration and changes in customer demand could result in SKF Vertevo losing market shares or customers (see also “*SKF Vertevo is exposed to risks relating to product development and innovation*” below and “*SKF Vertevo is exposed to risks relating to the automotive industry and vehicle aftermarket*” above). In addition, competitors may secure platform awards, customer programmes or aftermarket distribution opportunities that SKF Vertevo is targeting, which may adversely affect SKF Vertevo’s future revenues, profits and growth prospects.

SKF Vertevo serves the VA through a range of channels, including distributors, buying groups, retailers, workshops, digital marketplaces and OEMs' own aftersales channels (OES). Purchasing volumes are often concentrated among a limited number of large distributors and trading groups, and continued consolidation may increase their bargaining power, intensify price pressure and reduce SKF Vertevo's ability to maintain favourable commercial terms, with the loss of any major channel resulting in an immediate reduction in sales and market access. Furthermore, certain bearing products supplied by SKF Vertevo are based on internationally standardised ISO designations and may therefore be produced and sold by multiple market participants. Competitive pressure arising from overlapping product offerings with other manufacturers could have a material adverse effect on SKF Vertevo's business, net sales, customer relationships, financial position and result of operations. The aftermarket is also exposed to a structural shift towards digital channels and data-driven parts selection, with online marketplaces increasing price transparency and comparability between premium and lower-cost alternatives, while distributors may increasingly promote private label products to improve their own margins. These developments could lead to reduced sales of premium and branded offerings, compressed margins and a weakening of SKF Vertevo's influence at the point of purchase. If SKF Vertevo is unable to adapt to changing distribution models or protect the premium positioning of its aftermarket offering, this could have a material adverse effect on its business, revenues, margins and market position. Furthermore, in the VA, customer purchasing decisions are highly dependent on product availability, assortment breadth, catalogue quality and digital product information. In particular, during periods of article, packaging and brand transition, such as during SKF Vertevo's transition to a standalone brand, incomplete or inaccurate catalogue and digital product data may disrupt customer identification and selection of SKF Vertevo products (for risks relating to overlap in SKF Vertevo's and SKF's offering, see also "*SKF Vertevo is exposed to risks relating to its reputation, brand image and standalone brand identity*" below). Failures to maintain accurate product data, sufficient stock availability or appropriate service levels may adversely affect SKF Vertevo's competitiveness, customer relationships and sales volumes.

Failure by SKF Vertevo to successfully compete on these and other factors, or failure to keep pace with disruptive technologies or integrate them into the Group's business model, could lead to loss of market share, margin compression and reduced profitability, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations and market position.

SKF Vertevo is exposed to risks relating to its supply chain and sourcing

In 2025, SKF Vertevo had approximately 500 direct material suppliers and 6,150 indirect material suppliers, with suppliers in both categories operating in approximately 50 countries, from which SKF Vertevo sources raw materials, commodities, machinery, logistic services and components. SKF Vertevo's manufacturing operations depend primarily on bearing steel and bearing steel components (such as rings and rolling elements), as well as other direct and indirect materials including lubricants, chemicals, abrasives and packaging, and on reliable access to electricity and gas. Certain high-performance bearings also require access to specialist materials and alloying elements, such as tungsten, which is used in specific high-performance steel grades. Prices on bearing steel and other materials fluctuate due to global demand and supply dynamics, energy costs, trade policies, geopolitical tensions, and environmental regulations. In 2025, the Group's cost of raw materials and components amounted to MSEK 8,516 of which steel-based products accounted for the majority.

SKF Vertevo's bearing steel supply is geographically concentrated, with approximately 71 per cent of its steel sourced from APAC in 2025, of which approximately 53 per cent was sourced from China. China is the world's largest steel producer, and government-directed capacity decisions, export restrictions or tariff measures affecting Chinese steel may significantly affect the availability of steel for SKF Vertevo. This geographic concentration creates a risk of supply disruption, export restrictions or sudden price increases. Such risks have historically materialised and may be exacerbated by geopolitical tensions or trade policy developments.
SKF Vertevo's operations in the Americas are particularly exposed to supply chain disturbances since approximately 70 per cent of the raw materials and components used there are sourced from outside the region. Furthermore, in light of ongoing trade conflicts and geopolitical tensions, certain customers apply requirements regarding the origin of raw materials and components. For example, in the United States, some OEMs have requested suppliers to ban Chinese supply throughout the supply chain before 2027. This will require SKF Vertevo to adapt its supply chain and sourcing for products intended to be sold to such OEMs (see also "*SKF Vertevo is exposed to risks relating to tariffs and trade restrictions*" below and "*SKF Vertevo is exposed to risks relating to geopolitical conditions*" above).

In addition to raw materials and components, energy and logistics represent a significant part of SKF Vertevo's cost base, and are fundamental to the uninterrupted operation of its manufacturing and distribution activities. Electricity makes up the majority of energy costs. SKF Vertevo may be unable to fully or timely pass on increased energy and logistics costs to customers through price adjustments, particularly where SKF Vertevo has fixed-price supply agreements with OEMs. For example, the recent conflict including Iran, the United States and Israel led to sharp and volatile increases in energy and logistics costs. SKF Vertevo may be unable to fully pass through such cost increases to customers in the short term. In addition, SKF Vertevo's operations are dependent on access to functioning production equipment (see also "*SKF Vertevo is exposed to risks relating to its technical centres and operational facilities*" below).

As SKF Vertevo supplies products used in performance-critical automotive applications, disruptions affecting the availability, quality or cost of key materials, components, energy or logistics capacity may adversely affect its ability to meet customer requirements and delivery schedules. SKF Vertevo's customer agreements typically include strict delivery obligations, and failure to meet agreed delivery schedules or quality standards may result in significant contractual liability, including financial penalties and cost-recovery claims from customers (see also "*SKF Vertevo is exposed to risks relating to product performance and liability*" below). Such liabilities may not be fully recoverable from the relevant supplier or logistics provider responsible for the underlying disruption, and could have a material adverse effect on SKF Vertevo's business, financial position and results of operations. In particular, contractual limitations or liability caps in agreements with suppliers or

logistics providers may limit SKF Vertevo's ability to recover amounts corresponding to liabilities incurred towards its customers. Certain supplier agreements, particularly agreements with suppliers of indirect materials, may also contain other terms that restrict SKF Vertevo's remedies, including short periods for identifying or notifying defects, or otherwise impose additional obligations or liabilities on the Group, which may increase the financial impact of supply disruptions, defects or other supplier-related issues.

SKF Vertevo's risk of production disruption is not only related to its own operations but also to disruptions further upstream in the supply chain. SKF Vertevo's manufacturing operations are integrated into complex global automotive supply chains and therefore depend not only on its own operations but also on the uninterrupted performance of suppliers, sub-suppliers, outsourcing partners, logistics providers, utility providers and other third parties throughout the value chain. There is a risk that such parties may not be able to comply with agreed contractual terms or fulfil their intended obligations, resulting in delays, substandard quality, incomplete deliverables or other disruptions. In addition, suppliers are affected by global competitiveness, challenging political and regulatory environments and cyclical fluctuations in vehicle production volumes, which could threaten supply chain continuity, including supplier restructurings or capacity reductions. Furthermore, external factors such as fires, floods, extreme weather events, natural disasters, water scarcity, war, terrorism, strikes, labour disputes or pandemics may also interrupt supplies to SKF Vertevo and adversely affect its production and delivery capabilities (see also "*SKF Vertevo is exposed to risks relating to its technical centres and operational facilities*" below and "*SKF Vertevo is exposed to risks relating to climate change, natural disasters, and other external events*" below).

For certain specific products, SKF Vertevo depends on a single supplier for a substantial majority of its demand for such products, and contractual restrictions may limit SKF Vertevo's ability to diversify its supply. Such restrictions may include a right for such suppliers to match competing terms and a requirement for SKF Vertevo to maintain a substantial minimum share of the relevant supply volumes even if the Group sources part of its requirements from alternative suppliers. In addition, certain raw materials, specialised components and manufacturing inputs may only be available from a limited number of qualified suppliers. Requalification of alternative suppliers may be time-consuming due to customer approval requirements, technical specifications and automotive quality standards. As a result, SKF Vertevo may not be able to rapidly replace disrupted suppliers without adverse effects on production, customer deliveries or costs. Loss of a key supplier could also halt production at facilities as buffer inventories are depleted, potentially resulting in loss of revenue and profit.

Changes relating to supply chain and sourcing, such as supplier contracts, contract manufacturing, logistics arrangements and sourcing strategies, may increase vulnerability to supply chain disruptions. In particular, the separation from SKF may require SKF Vertevo to establish new supplier relationships and sourcing arrangements, and implement new logistics solutions. This may increase operational complexity and result in transitional supply chain risks.

The materialisation of supply chain and sourcing risks could result in production interruptions, quality issues, increased costs, reduced revenues, loss of customers or reputational damage, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations. Supply-chain disruptions may also impair SKF Vertevo's ability to meet delivery schedules for OEM industrialisation programmes, commercial vehicle platforms and VA customers, which could adversely affect customer relationships and future business opportunities.

SKF Vertevo is exposed to risks relating to tariffs and trade restrictions

Changes to export incentives or import duties in jurisdictions where SKF Vertevo operates or sells its products could negatively impact demand for SKF Vertevo's bearing products and affect profitability. Policy decisions in these areas are often difficult to anticipate, and unfavourable developments could have a material adverse effect on SKF Vertevo's business and financial position.

SKF Vertevo's manufacturing operations require bearing components primarily made from steel and, to a lesser extent for specific product types, other raw materials like plastic resin. The cost and availability of these inputs may be affected by tariffs or trade restrictions imposed by governments. Tariff measures affecting SKF Vertevo's inputs or finished products could reduce margins, weaken demand or force SKF Vertevo to raise prices, potentially reducing competitiveness. SKF Vertevo may be unable to fully offset such cost increases through price adjustments to customers or productivity improvements. For example, in 2025, SKF Vertevo incurred additional costs as a result of U.S. trade and tariff measures, which the Group was not able to fully pass through to customers. Higher input costs may erode SKF Vertevo's profitability directly, or if passed through to customers, may weaken SKF Vertevo's competitive position and result in lost business (see also "*SKF Vertevo is exposed to risks relating to its supply chain and sourcing*" above and "*SKF Vertevo is exposed to risks relating to geopolitical conditions*" above).

In general, increased protectionism and international trade restrictions may impact the business environment in which SKF Vertevo and its various subsidiaries operate, including global supply chains, market access and cross-border trade flows. This in turn could have a material adverse effect on SKF Vertevo's competitiveness, sales, profit and results of operations. Protectionist trade legislation in the United States, the European Union or other key markets, including changes in the current tariff structures, export or import compliance laws, or other trade policies may reduce SKF Vertevo's ability to sell its products in such markets and increase the relative cost of SKF Vertevo's products to local consumers, which could have a negative impact on demand. Changes in tariff regimes, including reductions, removals or restructurings of existing tariff measures, may also alter competitive dynamics in certain markets, which could adversely affect SKF Vertevo's relative competitive position. Changes in tariff regimes and trade legislation may occur with limited advance notice and may affect SKF Vertevo's costs, customer demand, sourcing arrangements and competitive position in affected markets. Tariffs, trade restrictions and localisation requirements may also influence customers' sourcing decisions and supply-chain strategies. OEMs and automotive Tier-1 suppliers may increasingly favour suppliers with manufacturing capabilities or sourcing arrangements in particular jurisdictions. If SKF Vertevo is unable to adapt its manufacturing footprint, sourcing arrangements or distribution network to such developments, it may lose business opportunities, fail to secure future platform awards or incur additional costs.

Adverse developments in tariff regimes and trade legislation could impair SKF Vertevo's ability to operate profitably in existing markets and constrain opportunities to enter new markets, which could have a material adverse effect on SKF Vertevo's competitiveness, profitability and financial position.

SKF Vertevo is exposed to risks relating to product development and innovation

SKF Vertevo's ability to compete successfully depends on its ability to develop new bearing solutions and to improve existing products to meet evolving customer requirements, particularly in relation to electrification, energy efficiency and digitalisation. Rapid shifts in automotive technology and shorter product lifecycles increase the pressure on SKF Vertevo's innovation capacity and development timelines (see also "*SKF Vertevo is exposed to risks relating to the automotive industry and vehicle aftermarket*" above). In 2025, SKF Vertevo's research and development expenses amounted to MSEK 255 and the Company estimates that research and development expenses will amount to 2.5 per cent of net sales in 2027. There is a risk that SKF Vertevo's research and development activities will not achieve their intended objectives or that competitors will develop better solutions or technologies and will be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost. SKF Vertevo's innovation strategy is based in part on close collaboration with OEMs and automotive Tier-1 suppliers through co-development programmes and long-term engineering partnerships. If SKF Vertevo is unable to anticipate changing customer requirements or successfully convert product development efforts into awarded customer programmes, it may face reduced customer relevance, miss key market opportunities and its competitive position may be adversely affected.

Electrification is transforming transportation, increasing the technical complexity of automotive bearings and driving demand for specialised solutions including ceramic bearings, electrically insulating bearings, conductive brush solutions and specific designs for electric drivetrains. These EV-specific bearing types are required to manage electrical current flow, minimise energy losses, support high rotational speeds and accelerations, and withstand the demanding thermal and mechanical conditions of electric powertrains. In wheel-end bearing applications, increased vehicle weight, reduced available space and the direct link of dissipated energy to battery consumption have pushed requirements of power density and ultra-low friction wheel-end bearing solutions. Meeting these requirements demands significant research and development investments and advanced validation and testing capabilities. Winning OEM platform awards for EV programmes typically requires multi-year development and qualification processes, and failure to meet technical, timing or cost requirements may result in loss of new business. As SKF Vertevo seeks to maintain and strengthen its position in EV applications and other technologically demanding segments, there is a risk that investments in new technologies, product development or validation activities do not generate the expected commercial returns, or that EV platform awards are secured by competitors with more advanced or cost-effective solutions.

SKF Vertevo's ability to leverage advancements in technology within its business model, develop new products and improve existing products depends on a number of factors, including SKF Vertevo's ability to timely identify new product opportunities, develop and introduce new products in a cost-effective manner, obtain necessary certifications and approvals for new products, manufacture new products in sufficient volumes and at acceptable costs, and successfully market new products. There is a risk that SKF Vertevo will not be able to develop new products or improve existing products in a timely manner, or at all, or that new products will not achieve market acceptance or win platform awards. Furthermore, the core intellectual property underlying SKF Vertevo's products, typically requires extensive research, testing and regulatory validation to develop from scratch, meaning that any significant gap in development could be difficult and costly to remedy. SKF Vertevo's access to early-stage research and development capabilities following the separation from SKF may further exacerbate these risks, as SKF Vertevo will no longer have access to the full breadth of SKF's global research resources and expertise. Failure to win platform awards for new vehicle programmes, particularly for EV platforms, could result in loss of market share and reduced future revenues.

SKF Vertevo and SKF have entered into a Research and Development Collaboration Agreement (the "**RDCA**") to establish a framework for joint early-stage research and development activities of mutual benefit. The RDCA is intended to enable continued access to base research capabilities and to avoid unnecessary duplication of foundational technology work. However, the RDCA is dependent on the parties' continued willingness and ability to collaborate, where differences in scope, technical direction or prioritisation of joint research activities, or a failure by either party to perform its obligations under the RDCA may impair SKF Vertevo's access to early-stage technology development. Each party may only exploit the results of joint collaboration within its own exclusive field of use, and SKF Vertevo's commercial application of jointly developed technology may therefore be limited. If the RDCA does not adequately compensate for this reduced access, or if it is terminated or its scope reduced, SKF Vertevo may experience gaps in foundational technology development that are difficult and costly to replace independently, which may adversely affect its innovation capabilities and, ultimately, its competitive position and results of operations.

The rapid development and adoption of AI and machine learning technologies are increasingly influencing product development processes, manufacturing optimisation, predictive maintenance and quality assurance in the automotive bearing industry. SKF Vertevo's ability to remain competitive depends in part on its capacity to integrate AI-driven tools and methodologies into its research and development processes, product design and virtual validation, production systems and customer offerings. Competitors and other market participants that more effectively leverage AI technologies may achieve faster development cycles, improved product performance, lower production costs or enhanced customer value propositions, which could erode SKF Vertevo's competitive position. There is a risk that SKF Vertevo may not be able to develop, acquire or implement AI capabilities at the pace required to match industry developments, or that investments in AI technologies may not yield the anticipated benefits.

SKF Vertevo's products are also subject to extensive regulation in many jurisdictions, including automotive safety standards and environmental regulations (see "*SKF Vertevo is exposed to risks relating to industry-specific laws and regulations*" below). There is a risk that new products under development do not comply with

applicable regulations or customer requirements, which could delay product launches, prevent platform awards or require costly redesigns (see also "*SKF Vertevo is exposed to risks relating to product performance and liability*" below for further information on warranty claims and product liability risks). In addition, particularly in fast-paced innovation environments where time-to-market pressures challenge thorough validation, insufficient maturity in quality development during design or process validation phases may lead to product defects or rework, which could lead to delayed launches, reputational damage and increased warranty costs. If SKF Vertevo is unable to develop new products or improve existing products, if its product development does not keep pace with technological and commercial developments in the automotive industry, or if new products do not achieve market acceptance or win platform awards, this may have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to its technical centres and operational facilities

SKF Vertevo operates ten technical centres, 16 manufacturing facilities and a global distribution network including nine kitting centres, 52 warehouses and 31 remote local stock locations in multiple geographic regions. The Group's production comprises a chain of specialised manufacturing processes and disruptions affecting production facilities, equipment or supporting infrastructure may adversely affect SKF Vertevo's ability to fulfil its obligations to customers. Disruptions at any of these sites could have a material impact on SKF Vertevo's ability to meet customer delivery commitments and maintain revenues. Furthermore, prolonged disruptions at any of the facilities may also expose SKF Vertevo to customer penalties and impair its ability to secure new business, given the delivery requirements in the automotive sector.

SKF Vertevo's production processes rely on specialised equipment for heat treatment, precision grinding and honing and assembly operations. Certain critical production equipment has lengthy replacement lead times and SKF Vertevo may not always have sufficient backup capacity at alternative facilities to offset lost volumes during equipment downtime. Although SKF Vertevo may seek to mitigate disruptions by transferring production between facilities, such transfers may require customer approvals, validation procedures and requalification processes and may therefore be difficult to implement within a commercially acceptable timeframe. As a result, SKF Vertevo may be unable to fully offset lost production volumes arising from disruptions at affected facilities. SKF Vertevo also depends on functioning production equipment as well as specialised manufacturing equipment and machinery for certain production processes. Increased demand for such equipment, supply constraints, unavailability of service personnel or extended lead times may delay replacement or capacity expansion initiatives and adversely affect the Group's production efficiency and operational flexibility.

As part of its efforts to improve operational efficiency and cost competitiveness, SKF Vertevo continuously evaluates its manufacturing footprint and production capacity. Such evaluations may result in adjustments to the Group's manufacturing footprint, including the consolidation, relocation or resizing of manufacturing operations. Any such measures may require significant capital expenditures, result in significant costs and involve complex implementation processes, including customer approvals, validation procedures, requalification processes and, where applicable, labour law considerations. Such measures may also result in operational disruptions or delays, and the anticipated cost savings or other benefits may not be realised within the expected timeframe or at all.

Unplanned production interruptions, such as equipment failure, fire, natural disasters, labour shortages or other operational disturbances, may lead to extended downtime, reduced production rates, quality issues and increased manufacturing costs. For example, natural disasters and extreme weather events, including typhoons, heavy rainfall, and earthquakes at production facilities and warehouses, may adversely affect SKF Vertevo's operations, potentially causing property damage and regional loss of production capacity. The most significant natural disaster exposures are earthquake risk at SKF Vertevo's facilities in Puebla, Mexico, Haridwar, India and Jakarta, Indonesia, and flood risk at the facilities in Jakarta, Indonesia, Pune, India, and Jiading (Shanghai), China. As SKF Vertevo supplies products used in performance-critical automotive applications and serves OEMs, automotive Tier-1 suppliers as well as aftermarket customers with demanding delivery requirements, even relatively short disruptions may adversely affect customer relationships and future business opportunities.

SKF Vertevo's production processes depend on reliable access to electricity and water; disruptions in these supplies or significant increases in energy costs could halt production or materially increase operating costs. Maintaining stable production output requires regular maintenance and adequate capital expenditure. Deferred maintenance or underinvestment could lead to increased downtime, reduced equipment reliability and potential loss of OEM certifications.

Disruptions affecting SKF Vertevo's manufacturing operations, production facilities, equipment or supporting infrastructure could lead to production stoppages, inability to fulfil customer orders, increased manufacturing costs and loss of customer contracts, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to IT and cybersecurity risks

SKF Vertevo's operations depend on information technology (**"IT"**) systems for manufacturing processes, supply chain management, customer relationships and administrative functions. SKF Vertevo also relies on operational technology (**"OT"**) systems and digital infrastructure supporting manufacturing operations, engineering activities and production planning. As external threats continue to evolve and SKF Vertevo's technology environment becomes increasingly complex, the Group's dependency on interconnected systems, specialised technology capabilities, and third-party service providers increases its exposure to operational and cybersecurity risks. Any material failure, outage or cyberattack affecting these systems could disrupt production or delivery capabilities and impair SKF Vertevo's ability to serve customers.

SKF Vertevo's IT systems and OT systems are exposed to cybersecurity threats, including risks such as unauthorised access, intrusion attempts, malicious code insertion or ransomware, which could lead to loss, theft or manipulation of data, including technical, manufacturing, financial or customer-related information. This risk is increased during periods of IT decoupling and restructuring, such as in connection with the separation from SKF. A significant cybersecurity incident could also result in interruption of manufacturing operations, including temporary production

shutdowns, delays in deliveries, or loss of intellectual property. Recovery from a significant cyberattack could require substantial time and resources, and SKF Vertevo may be unable to fully recover lost data or restore systems without material business interruption. Given SKF Vertevo's focus on engineering, product development and customer co-development programmes, unauthorised access to proprietary technical information, product specifications, manufacturing know-how or customer-related information may adversely affect SKF Vertevo's competitive position and customer relationships.

Cybersecurity incidents could also result in regulatory and contractual penalties, particularly where personal data or confidential customer information is compromised. SKF Vertevo processes personal data relating to employees, customers, suppliers and other stakeholders and is subject to data protection regulations including the General Data Protection Regulation (GDPR) in Europe and similar frameworks in other jurisdictions which impose requirements on the collection, processing, storage and transfer of personal data. Furthermore, SKF Vertevo is subject to increasing legal and customer requirements relating to information security, including under the European Union Network and Information Security 2 (NIS2) Directive and the Trusted Information Security Assessment Exchange (TISAX). Failure to adequately protect data could result in significant fines as well as reputational damage and loss of customer trust. In addition, SKF Vertevo's ability to operate within certain markets and maintain key customer relationships is dependent upon continued compliance with a growing body of regulatory requirements, industry standards, certification frameworks, and customer-specific cybersecurity and digital resilience obligations. Furthermore, OEMs and other customers are increasingly imposing rigorous requirements relating to cybersecurity, supply chain assurance, and operational controls. Failure to meet or demonstrate such compliance could adversely affect SKF Vertevo's market access, commercial performance and customer confidence. Continued compliance may require ongoing investment, organisational change and adaptation to evolving regulatory requirements and customer expectations.

SKF Vertevo's IT environment is characterised by a number of complex, fragmented and interconnected systems, including so-called legacy systems, which pose a risk to business continuity, system integration and operational efficiency. The complexity of the current infrastructure increases the likelihood of system failures, integration issues, delays in responding to business needs, operational changes or customer requirements. In addition, certain existing processes, system interfaces and procedures may not always be adequately documented, which may create significant challenges during system handovers, migrations or onboarding of new personnel. Such documentation gaps can lead to knowledge loss, inconsistent execution and an increased risk of errors during critical transitions.

Cybersecurity incidents, system failures or other disruptions affecting SKF Vertevo's IT systems, OT systems or digital infrastructure could result in production stoppages, delays in customer deliveries, which could be subject to customer claims, loss of sensitive information, regulatory and contractual penalties, remediation costs, reputational damage and loss of customer confidence, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to product performance and liability

SKF Vertevo supplies bearing products for critical automotive applications, including wheel ends, transmissions, electric drive units, differentials and auxiliary systems. These components are used in demanding operating environments and operate under high loads, speeds and temperature variations. Failures may result in vehicle malfunction, unplanned downtime, damage to surrounding parts or safety-related events. There is a risk that SKF Vertevo's products do not perform as expected or contain defects, which could result in warranty claims, product recalls, loss of customers, damage to SKF Vertevo's reputation and product liability claims. As SKF Vertevo primarily competes in the premium segment of the automotive bearing market and positions itself as a provider of high-performance, reliable and durable solutions, actual or perceived product quality deficiencies may have a disproportionate impact on customer relationships and future business opportunities.

OEMs and automotive Tier-1 suppliers impose strict specification, quality and validation requirements, and most supply agreements include indemnity, liability and field-return obligations that apply where products fail to meet those requirements. In particular, automotive OEMs may impose significant penalties for quality issues or require SKF Vertevo to bear the costs of product recalls, which, in this industry, may extend to several batches or series. Customer agreements with OEMs are generally structured in the customer's favour, consistent with market practice in the automotive supply industry, and commonly include extensive warranty undertakings, uncapped or broadly defined liability provisions, limited supplier termination rights and long-term obligations to supply spare parts that extend the Group's post-contractual exposure. Furthermore, SKF Vertevo is and has from time to time been involved in warranty-related claims and disputes arising in the ordinary course of business. In 2025, warranty costs reported by the Group amounted to MSEK 63. Increased warranty activity could result in higher costs for analysis, replacement parts, logistics and engineering efforts. Defects or performance issues may also lead to broader customer claims, including reimbursement for recall campaigns, line stoppages or vehicle repairs. Even if SKF Vertevo is ultimately not responsible for the issue, investigations may be costly and could weaken customer relationships or harm SKF Vertevo's reputation for reliability. In addition, significant quality issues may affect SKF Vertevo's ability to secure future platform awards, participate in new vehicle programmes or maintain preferred supplier status with OEM and automotive Tier-1 customers. SKF Vertevo holds insurance programmes in amounts believed to be appropriate for product liability risks. However, certain customer contracts require SKF Vertevo to accept unlimited liability. There is a risk that insurance recoveries will not be available, will be delayed or will be insufficient to cover all losses incurred (see also "*SKF Vertevo is exposed to insurance-related risks*" below).

If SKF Vertevo experiences significant product liability cases, elevated warranty claims or customer cost-recovery demands, the Group could experience increased costs, loss of future platform awards, reputational harm and reduced profitability, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations. Quality issues affecting EV platforms, commercial vehicle applications or other significant

customer programmes may attract heightened customer, regulatory or media attention and amplify such adverse effects.

SKF Vertevo is exposed to risks relating to its reputation, brand image and its standalone brand identity

Following the separation, SKF Vertevo will operate as a standalone listed company and brand. SKF Vertevo's ability to maintain customer relationships, secure new business opportunities and attract employees depends, in part, on its ability to enhance and maintain its reputation and brand image. Any failure to do so could adversely affect customer satisfaction, brand perception and SKF Vertevo's reputation. SKF Vertevo's reputation is influenced by a range of factors, including product quality, operational performance, customer relationships, innovation, regulatory compliance, sustainability matters and the conduct of its employees, suppliers and business partners. Negative publicity may adversely affect customer confidence, commercial relationships and demand for SKF Vertevo's products. In addition, adverse publicity about regulatory or legal action (or a threat of such action) against SKF Vertevo could damage its reputation and brand image, undermine customer confidence in the Company and reduce long-term demand for its products, even if the regulatory or legal action is unfounded or not expected to have a material impact on its operations.

Following the separation and listing of SKF Vertevo on Nasdaq Stockholm, there are two separate global groups whose brands and trademarks consist of "SKF". Accordingly, since both SKF and SKF Vertevo use a commercial name and trademark that include "SKF", any negative occurrences or publicity about SKF could also affect SKF Vertevo's reputation and brand image, undermine confidence in SKF Vertevo and reduce demand for its products, even if the Company is not involved in the potential negative occurrence or publicity, which may affect SKF Vertevo's net sales and results of operations. As both companies will be listed on Nasdaq Stockholm, adverse developments or publicity related to one company may also affect investors' willingness to invest in the other company's shares. In addition, there is a risk that customers, suppliers, investors or other stakeholders may continue to associate SKF Vertevo with SKF following the separation, which may make it more difficult for SKF Vertevo to establish and maintain a distinct standalone brand identity.

SKF Vertevo generates a significant share of its net sales from the VA, where customer purchasing decisions are influenced by brand recognition, packaging appearance, catalogue identification, availability, perceived product authenticity and ease of ordering. Workshops and mechanics in the VA often make brand and product selections based on ease of identification, prior experience, perceived quality, warranty handling and commercial incentives. Following the separation from SKF, SKF Vertevo will transition its products, labels, catalogues, digital images, article references and packaging from SKF-branded formats to SKF Vertevo-branded formats. The introduction of the new brand "SKF Vertevo" may cause confusion among customers, in particular in the aftermarket, as customers may fail to recognise SKF Vertevo's products or may be uncertain as to the origin, quality, warranty coverage or technical continuity of those products, which could adversely affect demand, customer retention and SKF Vertevo's ability to establish itself as an independent brand. Furthermore, distributors may proactively reduce their stock of SKF Vertevo products or defer purchase orders during the brand and packaging transition in order to avoid holding inventory that becomes difficult to identify, sell or return, which may cause a temporary reduction in order volumes and net sales that does not reflect underlying end-customer demand. If SKF Vertevo is unable to manage the brand transition effectively through clear customer communication, catalogue accuracy, distributor training, packaging design, technical documentation and consistent channel execution, demand for its aftermarket products may be adversely affected even where end-customer vehicle demand remains stable.

In addition, certain standard bearing products in SKF Vertevo's aftermarket portfolio may be similar to certain products in SKF's industrial bearing portfolio, despite targeting different applications and customers. As both companies will continue to use commercial names, trademarks and brand elements incorporating "SKF", customers may misidentify the products offered by the two companies, particularly where products are sold under the same or similar ISO designations (see also "*SKF Vertevo is exposed to risks relating to competition and price pressure*" above). In such cases, customers may compare SKF Vertevo products with SKF products or may continue to purchase products from SKF where the SKF brand or packaging is perceived as more familiar. Such customer confusion may, for example, result in reduced sales, customer switching or reduced distributor commitment, particularly if SKF Vertevo seeks to address the effects of customer confusion through lower pricing or more favourable commercial terms.

Adverse publicity could also lead to difficulties in recruiting and retaining employees, as talented individuals may prefer to work for companies with stronger brand reputation (see also "*SKF Vertevo is exposed to risks relating to the availability and retention of skilled personnel*" below). Any confusion or disruption arising from the brand and packaging transition, or any other damage to SKF Vertevo's reputation or brand image, could result in loss of sales, reduced market share, increased commercial support costs, reputational harm and reduced brand strength in the VA, any of which could have a material adverse effect on SKF Vertevo's business, customer relationships, margins, financial position and results of operations.

SKF Vertevo is exposed to risks relating to the availability and retention of skilled personnel

As of 30 September 2026, SKF Vertevo had 7,435 employees. SKF Vertevo's operations depend on employees with specialised expertise in areas such as advanced manufacturing, quality assurance, materials science, surface engineering (tribology), application engineering, digitalisation, automation and product development. The development and production of precision bearings requires knowledge that is not readily available in all labour markets. In addition, there is a risk that the current talent baseline may not sufficiently support future strategic needs. Failure to attract and retain management and personnel with the relevant competencies could adversely affect production efficiency and technology development. SKF Vertevo's business model also relies on engineering expertise, customer co-development activities and long-standing technical know-how. Moreover, an absence of adequate succession plans and a future-ready talent pool could lead to capability gaps, delayed execution of key initiatives and reduced organisational resilience over time. The loss of employees possessing critical technical, manufacturing or customer-specific knowledge may adversely affect SKF Vertevo's innovation capabilities, customer relationships and ability to secure future business opportunities.

Shortages of skilled engineers, technicians and production specialists in certain regions where SKF Vertevo operates may limit the Group's ability to meet customer requirements, including application engineering support, maintain production efficiency or expand capacity. Competition for specialised labour has intensified as industries such as automotive electrification, robotics, aerospace and advanced manufacturing seek similar technical profiles. This can result in longer recruitment cycles, higher hiring costs and increased employee turnover. If SKF Vertevo is unable to attract personnel with the necessary skills or retain employees with critical know-how, this may delay technology development, reduce innovation output or impair the Group's ability to meet customer-specific product requirements (see also "*SKF Vertevo is exposed to risks relating to product development and innovation*" above). In addition, difficulties in attracting or retaining qualified personnel may adversely affect SKF Vertevo's ability to support customer development programmes, execute strategic initiatives and maintain operational performance.

Labour market dynamics, including wage inflation, competition for skilled personnel and changes in employment conditions, may also increase SKF Vertevo's cost base. In periods of high demand for technical professionals, wage pressure may rise, particularly in markets where SKF Vertevo competes for talent with both industrial peers and high-tech sectors. In 2025, salaries and remuneration to employees amounted to MSEK 4,620. Consequently, assuming all other factors remained unchanged, a 1 per cent increase in salaries and remuneration would have reduced the Group's operating profit in 2025 by approximately MSEK 46.2. Conversely, insufficiently competitive remuneration or limited internal career paths may lead to increased turnover or loss of key personnel. Many of SKF Vertevo's employees are covered by collective bargaining agreements with trade unions in twelve countries. Loss of employees in key roles, or insufficient training capacity during periods of expansion, may impair production stability, increase quality risks or slow the ramp-up of new technologies or product lines.

Failure by SKF Vertevo to secure or retain personnel with critical competencies, loss of key employees or materially higher personnel costs, may adversely affect SKF Vertevo's competitiveness, production performance and innovation capabilities, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to climate change, natural disasters, and other external events

SKF Vertevo's operations may be affected by climate change, extreme weather events and natural disasters. Climate-related risks include physical risks such as earthquakes, flooding, storms, droughts, wildfires and temperature extremes that could damage production facilities, disrupt supply chains or affect availability of raw materials and energy (see also "*SKF Vertevo is exposed to risks relating to its supply chain and sourcing*" above). SKF Vertevo operates technical centres, manufacturing, kitting and warehouse facilities across multiple jurisdictions, including locations in regions that may be exposed to specific climate-related or natural disaster risks, such as Jakarta in Indonesia and Jiading (Shanghai) in China.

Severe weather events or natural disasters affecting SKF Vertevo's facilities, suppliers or customers could result in production stoppages, supply chain disruptions, damage to assets, increased costs and delayed deliveries. In particular, heat stress, heavy precipitation and flooding are examples of physical risks that according to location-specific analyses may cause disruptions in the production processes. SKF Vertevo may not have adequate insurance coverage for all potential climate-related or natural disaster risks, and recovery from a significant event could require substantial time and resources. Epidemics or pandemics, such as the COVID-19 pandemic, may also lead to temporary production closures, reduced workforce availability, supply chain disruptions or changes in customer demand, which could adversely affect SKF Vertevo's operations. For example, during the COVID-19 pandemic, SKF Vertevo's business was adversely affected by production interruptions among vehicle manufacturers, temporary closures of automotive manufacturing facilities and reduced customer demand, which contributed to lower sales volumes and operational disruptions. Because SKF Vertevo operates a global manufacturing footprint and relies on complex international supply chains, climate-related disruptions affecting suppliers, logistics providers or critical infrastructure may adversely affect production and customer deliveries even where SKF Vertevo's own facilities are not directly affected.

Transition risks related to climate change, including regulatory changes, carbon pricing mechanisms, emissions reduction requirements and customer demands for lower-carbon products, may also affect SKF Vertevo's operations and cost structure. Such requirements may necessitate additional investments in decarbonisation, energy efficiency, process changes or sourcing of lower-carbon materials, and SKF Vertevo may not be able to fully recover these costs through pricing (see also "*SKF Vertevo is exposed to risks relating to sustainability laws*" below). In addition, OEMs are increasingly incorporating climate- and sustainability-related requirements into supplier selection and procurement processes. If SKF Vertevo is unable to meet evolving customer expectations relating to emissions reductions, energy efficiency or sustainability performance it may adversely affect its ability to maintain or secure customer business.

Climate change, natural disasters, pandemics and other external events, as well as climate-related transition requirements, may result in production stoppages, supply chain disruptions, asset damage, market access restrictions, increased costs and reduced profitability, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

Regulatory and governance risks

SKF Vertevo is exposed to risks relating to regulatory compliance and internal control

SKF Vertevo's operations are subject to extensive legal and regulatory requirements across multiple jurisdictions, and SKF Vertevo relies on internal control systems, compliance programmes and governance frameworks designed to ensure adherence to applicable laws and regulations. SKF Vertevo operates in approximately 40 countries and is subject to varying legal requirements relating to corporate governance, financial reporting, employment law, anti-corruption, competition law, export control and other areas (see also "*SKF Vertevo is exposed to risks relating to industry-specific laws and regulations*" below). The international operations of SKF Vertevo in certain jurisdictions, such as India, may also expose the Group to restrictions or difficulties in repatriating profit and transferring cash funds from such jurisdictions. Changes in

laws and regulations, or differing interpretations of existing requirements, may require SKF Vertevo to adapt its compliance programmes, governance framework and internal control systems. Following the separation from SKF and the establishment of SKF Vertevo as an independent listed company, certain governance structures, compliance functions, reporting processes and internal control systems have been newly established or adapted. There is a risk that such systems, processes and controls may not operate as intended or may require further development following the separation (see also "*SKF Vertevo is exposed to risks relating to the implementation of standalone operations and processes*" below). In addition, customer agreements are managed on a decentralised and local basis, and the absence of a centralised contract management system may result in contractual commitments, notice periods or expiry dates not being systematically identified or monitored. The application of different local laws to such agreements may further increase the complexity of their interpretation and enforcement.

SKF Vertevo is also subject to competition laws that prohibit anti-competitive agreements, abuse of dominant position and other anti-competitive practices. The risk of breaches of competition laws may arise from officers, employees or business partners having insufficient awareness of, or otherwise failing to identify or comply with, applicable competition-law requirements. Especially in the VA, this risk is heightened in certain markets and distribution channels, where awareness of, and compliance with, competition-law requirements among market participants may be less developed. Violations of competition law could result in substantial fines, which in many jurisdictions can reach up to 10 per cent of annual global turnover, with certain jurisdictions imposing even higher caps, as well as damages claims, restrictions on business activities and reputational harm. SKF Vertevo may occasionally be involved in investigations regarding alleged violations of anti-trust rules, as well as exposed to related private enforcement claims, class action claims and lawsuits. The financial, reputational and legal outcomes of anti-trust investigations and material disputes are inherently uncertain and may ultimately present a significant risk to SKF Vertevo, since a disadvantageous outcome of such disputes or investigations could have a negative impact on the Group's reputation, business, results of operations and financial position. Such anti-trust matters may arise more frequently in certain jurisdictions, including Brazil. For example, an SKF Vertevo subsidiary is subject to an investigation by the Administrative Council for Economic Defense (**"CADE"**) in Brazil, regarding an alleged violation of anti-trust rules by several companies active in the automotive aftermarket. In 2021, CADE rendered a decision against SKF Vertevo's subsidiary in Brazil relating to alleged anti-competitive activities with regard to bearings sold to OEMs and aftermarket customers. After appeal by SKF Vertevo's subsidiary, the decision was annulled by the court. CADE has appealed to a higher court and final decision is still pending.

SKF Vertevo's international operations are subject to trade compliance requirements, including trade regulations, export control rules, customs and import legislation and international sanctions and embargoes. SKF Vertevo exports products to customers in 107 countries and sources materials and components from suppliers in approximately 50 countries. There are corruption risks in several of the jurisdictions in which SKF Vertevo operates and SKF Vertevo faces the risk of corruption and other illegal acts committed by its employees and business partners as well as violations in its subsidiaries and other companies in which SKF Vertevo has an interest. SKF Vertevo also conducts operations in jurisdictions imposing international sanctions and export control restrictions on business, such as the European Union, the United States and China. Sanctions laws and export control laws are complex, and their applicability to a given circumstance often requires interpretation and can be difficult to determine with certainty. In addition, there is a risk that SKF Vertevo interprets sanctions and export control laws in a certain way and that authorities, customers, suppliers and other third parties have a different view of the relevant regulation, which could lead to claims being brought against SKF Vertevo for not fulfilling its legal or contractual obligations. Counterparties such as suppliers, outsourcing partners, customers, and other third parties may also lack adequate understanding of regulatory requirements, exposing SKF Vertevo to potential compliance violations. Furthermore, there is a risk that sales through distributors may result in SKF Vertevo's products being supplied in violation of applicable regulations without SKF Vertevo's knowledge. SKF Vertevo's ability to prevent such conducts is limited, irrespective of the contractual arrangements in place between SKF Vertevo and the third party. This risk is heightened in complex supply chains and multi-jurisdictional environments where regulatory frameworks vary significantly. The operations in such jurisdictions may thus result in an increased risk of alleged violations in respect of past, ongoing or future business activities, or that the Group becomes subject to investigations or claims. Changes in trade policies, imposition of tariffs, export restrictions or sanction regimes could further affect SKF Vertevo's ability to serve certain markets, increase costs or require changes to supply chain configurations (see also "*SKF Vertevo is exposed to risks relating to tariffs and trade restrictions*" above).

Failures or weaknesses in internal controls, compliance programmes or governance processes, as well as alleged or actual violations of applicable laws and regulations, could result in substantial fines, regulatory sanctions, financial misstatements, operational disruptions, reputational damage, restrictions on market access or business activities, and legal liabilities, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to industry-specific laws and regulations

SKF Vertevo's products and manufacturing operations are subject to extensive and continuously evolving regulatory requirements applicable to the automotive supply industry, including product and vehicle safety standards, type-approval frameworks, homologation procedures, automotive quality management system certifications and industry-specific technical standards. Such requirements apply throughout the product lifecycle, from product development and validation to manufacturing and ongoing supply. Changes in automotive regulations, including new safety standards, emissions requirements affecting component specifications, or stricter quality certification requirements, might require SKF Vertevo to modify products, invest in new testing capabilities or obtain additional certifications. Compliance with such requirements is generally a prerequisite for supplying products to OEMs and automotive Tier-1 suppliers and participating in customer development programmes and platform awards. Failure to maintain

required certifications or comply with industry-specific regulations could result in loss of customer approvals, reputational damage, restrictions on market access or inability to participate in platform awards. Changes in applicable requirements may require product redesigns, additional testing, validation activities, recertification or modifications to manufacturing processes. Such measures may be time-consuming and costly and may delay product launches or customer programmes. In addition, evolving regulatory requirements relating to vehicle safety, electrification, sustainability or materials used in automotive components may require SKF Vertevo to develop new products or adapt existing products, which may increase development costs and execution risks. Furthermore, the automotive sector faces continuous regulatory evolution in areas such as cybersecurity, sustainability, and supply chain transparency. Failure to adapt to such requirements in a timely manner may also affect SKF Vertevo's ability to maintain customer approvals, participate in customer programmes and secure future platform awards.

Regulatory requirements may differ between jurisdictions and may evolve at different rates. As SKF Vertevo supplies customers globally, the Group may be required to comply with multiple regulatory and industry frameworks simultaneously, for example, by maintaining multiple product specifications, testing procedures or approval processes for substantially similar products, thereby increasing complexity and compliance costs.

Failure to comply with industry-specific laws and regulations, maintain required certifications or obtain necessary approvals could result in fines, penalties, loss of certifications, restrictions on market access, customer disqualification, delays in product launches, loss of platform awards, reputational damage and legal liabilities, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to environmental laws and regulations

SKF Vertevo's operations are subject to extensive environmental laws and regulations, including requirements relating to air emissions, water usage, water discharges, waste management, soil and groundwater contamination, handling of hazardous substances and climate-related reporting. Certain production activities, such as bearing manufacturing, require environmental permits and must comply with applicable monitoring requirements, which include thresholds or maximum permissible amounts for certain emissions and reporting obligations. Compliance with environmental laws and regulations requires ongoing investment in pollution control equipment, waste treatment systems, monitoring programmes and environmental management systems. In connection with the separation from the SKF Group, certain operational arrangements at a limited number of sites will be based on interim or shared solutions that involve continued reliance on SKF pending SKF Vertevo obtaining separate permits or authorisations required for it to operate independently. Any delay in SKF Vertevo obtaining, or failure to obtain, such permits or authorisations may result in operational restrictions, disruptions or additional costs.

Changes in environmental legislation, such as carbon pricing and import taxes on emissions embedded in certain goods, stricter enforcement or new permit conditions as well as rising stakeholder expectations for the use of low-emission materials could require SKF Vertevo to make additional capital expenditures, modify production processes, change suppliers or restrict operations. Environmental requirements applicable to SKF Vertevo's operations, products, suppliers or customers may also evolve over time, resulting in increased compliance costs, additional reporting obligations or operational constraints. SKF Vertevo's investments in emissions-reduction initiatives and technologies (for example, renewable energy adoption, green research and development, sustainable supply chains) also face financial and operational risks if government policies fail to align with its decarbonisation strategies. These investments often assume future regulatory frameworks will reward early adopters through mechanisms like carbon pricing, subsidies, or market advantages. However, abrupt policy shifts, such as weakened climate targets, delayed regulation, or reduced incentives, could render these investments obsolete. Changes in environmental policy, regulatory priorities or market conditions may thus reduce the expected benefits of such investments or require SKF Vertevo to revise its plans and priorities.

SKF Vertevo also faces emerging risks from increasing regulatory requirements related to hazardous substances in products, such as reporting requirements and potential bans of PFAS in products. The European Union has signalled a phased restriction of PFAS and several U.S. states are planning potential bans of PFAS in products which could impact both raw materials and product components sourced by SKF Vertevo. Compliance with PFAS reporting requirements may increase administrative burdens and create supply chain data challenges for SKF Vertevo, while potential future bans on PFAS in products could lead to product redesign costs, supply chain disruptions and non-compliance risks across multiple markets.

SKF Vertevo, like most industrial companies, affects the environment in its manufacturing processes, through the use of natural resources, the generation of emissions and waste products, in the distribution of, as well as in the use and final disposal of its products. There is a risk that SKF Vertevo's operations could result in environmental contamination through spills, leaks, emissions or improper waste handling. SKF Vertevo may be subject to liability for the investigation and remediation of environmental contamination at each of the properties that it owns or operates and at off-site locations where it has disposed of hazardous substances. Historical industrial activities at certain properties may also have resulted in soil or groundwater contamination requiring investigation or remediation. There are examples of historical soil contaminations that have been identified at some of the Group's sites. Given the nature of SKF Vertevo's operations, environmental contamination is an inherent business risk, additional, more extensive or more costly remediation measures may be required in the future.

Violations of environmental laws and regulations could result in fines, penalties, remediation orders, permit revocations or restrictions on operations. Environmental laws may impose liability irrespective of fault or intent. SKF Vertevo may face claims from third parties for environmental damage, and environmental liabilities could exceed amounts covered by insurance or provisions.

Failure by SKF Vertevo to comply with environmental laws and regulations, or SKF Vertevo incurring significant environmental liabilities or remediation costs, could result in fines, penalties, increased costs, operational restrictions, reputational damage and legal liabilities, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to sustainability laws
Regulators are increasingly focused on Environmental, Social and Governance (**"ESG"**) matters. Regulatory developments regarding sustainability have resulted in, among other things, increased requirements for sustainability reporting, including under the European Union Corporate Sustainability Reporting Directive (**"CSRD"**), as well as enhanced due diligence obligations under the European Union Corporate Sustainability Due Diligence Directive (CS3D), which requires companies to identify, prevent, mitigate and account for adverse human rights and environmental impacts throughout their operations and value chains. New regulatory developments may also result in new regulatory requirements relating to, for example, product standards, energy efficiency and labelling, which could impact product development, supply base, operations, sales and customer behaviour. Carbon taxes are expected to have an impact on energy-intensive industries, including sectors supplying key inputs to SKF Vertevo. Goods could also be directly impacted through carbon import duties, such as the European Union's Carbon Border Adjustment Mechanism (**"CBAM"**).

Compliance with sustainability reporting and disclosure requirements, including those under CSRD, increases SKF Vertevo's regulatory burden and compliance costs. Regulatory initiatives at the European Union or international level aimed at streamlining or reshaping existing frameworks may also create uncertainty for SKF Vertevo. In 2025, the European Commission announced proposals to consolidate and simplify existing regulation and reduce administrative burdens (the **"Omnibus Package"**). The first Omnibus Package entered into force on 18 March 2026, with a certain period thereafter for European Union member states to transpose the directive into national law. Even if the Omnibus Package achieves its stated objective, significant changes to the European Union regulatory landscape may yet require SKF Vertevo to adjust its compliance planning, resource allocation, operations, systems and processes, which may have an adverse impact on the Group's business, results of operations, financial position and prospects. Furthermore, increasingly stringent requirements for sustainability reporting are being introduced outside the European Union, which could entail an additional reporting burden for SKF Vertevo. For example, the International Sustainability Standards Board (ISSB) has issued its first two standards for sustainability reporting and consideration is now being given to their implementation in various countries.

SKF Vertevo has set climate goals to achieve decarbonised operations (a 95 per cent reduction of Scope 1 and 2 greenhouse gas (**"GHG"**) emissions compared to 2019) by 2030 and a net-zero value chain by 2050.[1] Interim targets include a 32 per cent reduction of emissions from purchased goods and services (Scope 3 category 1) and a 35 per cent reduction of emissions from upstream transportation and distribution (Scope 3 category 4), by 2030 compared to 2019. Transition to low-carbon or net-zero operations may require significant investments in cleaner technologies, changes to manufacturing processes and supply chains, as well as compliance with evolving regulatory requirements, which may increase costs and adversely affect operational efficiency and profitability. There is a risk that these targets may not be achieved, as SKF Vertevo's ability to do so is subject to numerous factors, many of which are outside of SKF Vertevo's control, including technical developments and the actions of customers, suppliers and other third parties. For example, SKF Vertevo's ability to achieve a net-zero value chain by 2050 is dependent on the decarbonisation of the steel industry. SKF Vertevo may also face allegations of providing misleading information regarding the environmental or sustainability attributes of its products (so-called greenwashing). Such allegations, even if unjustified, may cause serious harm to SKF Vertevo's reputation, and require significant time and resources, and regulatory findings of greenwashing could result in material fines. The absence of consistent legal or market definitions of "green" or "sustainable" products increases the risk of divergent interpretations, which could limit the Group's ability to market products using such designations. In addition, failure to achieve stated sustainability ambitions or climate-related targets, as well as inaccurate, inconsistent or incomplete ESG disclosures, may adversely affect SKF Vertevo's relationships with customers, investors, employees and other stakeholders.

The Group is subject to increasing and sometimes divergent scrutiny from regulators, investors, employees and customers regarding ESG matters. For example, ESG-related initiatives have lost momentum in the United States, where various state and federal agencies have enacted or proposed policies or measures critical of ESG-related initiatives. Negative public perception, adverse publicity or criticism, including through social media, could damage SKF Vertevo's reputation if SKF Vertevo does not, or is not perceived to, adequately address ESG-related expectations. Any failure to meet applicable ESG-related requirements, achieve stated sustainability goals or manage ESG-related communications could have a material adverse effect on the Group's business, reputation and financial position.

SKF Vertevo is exposed to risks relating to intellectual property rights
SKF Vertevo's intellectual property rights, including patents, trademarks, design rights, copyright, trade secrets and related rights, are a significant and valuable aspect of the Group's business. The Group's competitive position depends in part on proprietary technology, manufacturing know-how and product designs. SKF Vertevo relies on a combination of patents, trade secrets, confidentiality agreements and technical expertise to protect its intellectual property. As at 30 September 2026, SKF Vertevo had (i) 1,467 granted patents, (ii) 1,214 pending patent applications, and (iii) licences to 906 patents (including a contractual entitlement to enforce) and 755 pending patent applications from SKF, in key jurisdictions. There is a risk that SKF Vertevo's intellectual property rights may not provide adequate protection, that patents may be challenged, invalidated or circumvented, that licences are terminated, or that competitors may develop similar technologies independently. Furthermore, employment agreements in many jurisdictions do not contain adequate intellectual property assignment clauses. A significant portion of SKF Vertevo's technical knowledge relating to manufacturing processes, material specifications and quality control is not patented and relies on trade secret

1) SKF Vertevo assesses its GHG emissions in accordance with the GHG Protocol framework. Scope 1 comprises direct emissions from sources owned or controlled by SKF Vertevo, such as the use of fossil fuels in its own equipment and operations. Scope 2 comprises indirect emissions from purchased energy, including emissions associated with purchased electricity. Scope 3 comprises other indirect emissions arising across the Group's value chain, including emissions associated with purchased steel and logistics.

protection and employee confidentiality. Loss of key personnel or inadequate protection of confidential information could result in competitors gaining access to SKF Vertevo's proprietary know-how.

SKF Vertevo is also exposed to risks relating to the unauthorised use and infringement of its intellectual property rights in the marketplace. Counterfeit products, imitation goods, unauthorised use of trademarks and misleading product references may be marketed as genuine SKF Vertevo products or as products falsely presented as equivalent to SKF Vertevo's offerings. Such products may fail to meet applicable quality, safety or performance standards and may adversely affect end customers and vehicle operators. Even where SKF Vertevo is not responsible for such products, their presence may damage the Group's brand, reduce customer trust, erode pricing discipline and divert sales from authorised distribution channels. Detecting, investigating and enforcing intellectual property rights against such activities is inherently complex, costly and resource-intensive, particularly across multiple jurisdictions and digital sales channels, and SKF Vertevo may not be successful in limiting such activities. SKF Vertevo is also exposed to parallel imports of its products, whereby genuine products intended for one market are resold into another market outside the Group's authorised distribution framework, which may disrupt pricing structures, channel relationships and geographic market strategies.

SKF Vertevo is also a licensee of intellectual property, such as the right to use the "SKF" component of the SKF Vertevo brand and trademark, which is one of the most important intellectual property rights used by the Group. Being a licensee of intellectual property entails certain obligations and restrictions with respect to the use of the intellectual property rights, including limitations in SKF Vertevo's use of the licensed intellectual property other than for automotive products and services, and aftermarket services related thereto, which could limit its ability to innovate and develop products using the licensed intellectual property. As a consequence, SKF Vertevo does not enjoy the same freedom to use the licensed brand and trademark as it would if SKF Vertevo had owned the intellectual property in question (see also "*SKF Vertevo is exposed to risks relating to its reputation, brand image and its standalone brand identity*" above and "*SKF Vertevo will be dependent on continued access to certain cross-licensed intellectual property*" below). Any restrictions on SKF Vertevo's ability to use, protect or enforce licensed intellectual property rights may adversely affect its commercial flexibility and brand strategy.

SKF Vertevo may also face claims that its products or processes infringe third-party intellectual property rights. Defending against such claims can be costly and time-consuming, and an adverse outcome could result in injunctions preventing SKF Vertevo from manufacturing or selling certain products, requirements to pay damages or licensing fees, or the need to redesign products or processes. Even if SKF Vertevo successfully defends such claims, the costs and management attention required could be significant. Failure by SKF Vertevo to adequately protect its intellectual property, or a finding that SKF Vertevo has infringed third-party rights, could result in loss of competitive advantage, increased costs, product redesigns, loss of revenues or restrictions on manufacturing and sales, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to legal disputes and regulatory proceedings

SKF Vertevo may be subject to legal disputes and administrative proceedings arising from its business operations in the normal course of business, including claims relating to product liability and warranty obligations (see "*SKF Vertevo is exposed to risks relating to product performance and liability*" above), contractual disputes, employment matters, intellectual property infringement, environmental liabilities (see "*SKF Vertevo is exposed to risks relating to environmental laws and regulations*" above), competition law complaints (see "*SKF Vertevo is exposed to risks relating to regulatory compliance and internal control*" above) and related customer claims or other commercial matters. SKF Vertevo operates in approximately 40 countries and is exposed to litigation risks across multiple jurisdictions with varying legal systems, procedural rules and liability standards. Given the nature of SKF Vertevo's business, disputes may arise in connection with product quality issues, supply arrangements, regulatory compliance matters and other commercial relationships. Furthermore, SKF Vertevo may receive requests from customers for commercial goodwill payments or other contributions in connection with product quality issues or commercial disputes.

SKF Vertevo may be required to indemnify customers, suppliers or other third parties under contractual arrangements, including for product defects, intellectual property infringement claims or other liabilities. SKF Vertevo maintains insurance coverage for certain legal risks, including product liability, general liability and professional indemnity. However, there is a risk that SKF Vertevo will not be able to fully recover such amounts or that recovered amounts will not be sufficient to cover losses (see also "*SKF Vertevo is exposed to insurance-related risks*" below). In addition, legal disputes and investigations may require significant management attention and internal resources, irrespective of their merits or ultimate outcome.

Material disputes, administrative proceedings and other investigations may be costly, time-consuming and disruptive to SKF Vertevo's operations. Their outcomes are inherently uncertain and may result in damages, fines, penalties, remediation obligations, restrictions on business activities, reputational harm or other adverse consequences. Any such outcome may have a material adverse effect on SKF Vertevo's reputation, business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to employment law

As of 30 September 2026, SKF Vertevo employed 7,435 employees in approximately 40 countries, of which approximately 68 per cent are covered by collective bargaining agreements. The Group thus needs to comply with several employment law regimes with various levels of employee protection. Changes in such employment laws and regulations, including increased minimum wage requirements, enhanced employee protections or stricter termination procedures, may increase SKF Vertevo's labour costs, restrict operational flexibility or require changes to employment practices. Violations of employment laws could result in fines, penalties, compensation claims, injunctions or reputational damage.

SKF Vertevo's relationship with its employees and labour unions is important to its operations. SKF Vertevo is party to collective bargaining agreements in several jurisdictions, and negotiations to renew such agreements may not always be concluded on favourable

terms or without delays. In certain jurisdictions, SKF Vertevo is required to consult with employee representative bodies or works councils on a broad range of matters, which may delay organisational changes, restructuring initiatives or other corporate actions. Disputes with labour unions or employee representatives could result in work stoppages, strikes or other industrial action that could disrupt production, affect customer deliveries and have negative business impact. Given SKF Vertevo's manufacturing footprint and its role in automotive supply chains, even relatively short production interruptions may adversely affect customer deliveries and operational performance. SKF Vertevo may also face employment-related claims from current or former employees, including claims relating to wrongful termination, discrimination, harassment, wage and hour violations or breach of employment contracts. Defending such claims can be costly and time-consuming, and adverse outcomes could result in significant damages, reinstatement obligations or changes to employment practices (see also "*SKF Vertevo is exposed to risks relating to legal disputes and regulatory proceedings*" above).

Failure by SKF Vertevo to comply with employment laws and regulations, significant labour disputes, or material employment-related claims could result in fines, penalties, compensation payments, production disruptions, increased labour costs, operational restrictions, reputational damage and legal liabilities, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to health and safety laws and regulations

SKF Vertevo's operations are subject to extensive health and safety laws and regulations in the jurisdictions where it operates, including requirements relating to workplace safety, occupational health, accident prevention, hazardous substances handling, machinery safety and employee training. SKF Vertevo operates technical centres, manufacturing, kitting and warehouse facilities in multiple countries, involving industrial processes such as metal cutting, heat treatment, grinding, assembly and quality testing, which expose employees to potential workplace hazards including machinery operation, noise, chemical exposure and ergonomic risks. Compliance with health and safety regulations requires ongoing investment in safety equipment, protective measures, training programmes, risk assessments and monitoring systems. Changes in health and safety legislation or stricter enforcement could require SKF Vertevo to make additional capital expenditures, modify production processes or implement enhanced safety measures.

Workplace accidents or occupational health incidents could result in employee injuries, illnesses or fatalities, leading to workforce disengagement and reduced productivity, regulatory investigations, enforcement actions, fines, penalties, compensation claims, and reputational damage. In 2025, SKF Vertevo recorded one serious recordable accident and eight recordable accidents entailing an accident rate in 2025 of 0.57 (calculated as the number of recordable accidents multiplied by 1,000,000, divided by total number of worked hours). Health and safety violations could result in production stoppages, permit revocations, restrictions on operations or criminal liability for responsible individuals. SKF Vertevo may also face claims from employees, regulatory authorities or third parties for workplace accidents, occupational diseases or inadequate safety measures, and such liabilities could exceed amounts covered by insurance (see "*SKF Vertevo is exposed to insurance-related risks*" below).

Failure to comply with health and safety laws and regulations, serious workplace accidents or occupational health incidents could result in fines, penalties, compensation claims, production stoppages, operational restrictions, increased insurance costs, reputational damage and legal liabilities, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to taxation

The Group consists of subsidiaries and branches subject to taxation in approximately 40 jurisdictions. Accordingly, the Group is exposed to varying tax rates across different jurisdictions. SKF Vertevo's tax expense (as included in profit for the period) amounted in total to MSEK 11 for 2025 and MSEK 218 for 2024, and the effective tax rate amounted to –1 per cent and 18 per cent, respectively. There is a risk that SKF Vertevo's understanding and interpretation of tax laws, tax treaties, and other regulations may not be correct in all respects. There is also a risk that tax authorities in relevant jurisdictions may make assessments and decisions that differ from SKF Vertevo's understanding and interpretation of the aforementioned laws, tax treaties, and other regulations, which could adversely affect the Group's tax expense and effective tax rate. Furthermore, there is a risk that changes to laws, tax treaties, or other regulations, potentially applied retroactively, could have a material adverse effect on SKF Vertevo's results.

Due to the international nature of its operations, SKF Vertevo is subject to tax laws and tax regulations in numerous jurisdictions, in particular with respect to transfer pricing rules. Under such rules, related parties must conduct all intra-group transactions on an arm's length basis and must maintain adequate documentation in accordance with applicable regulations in each jurisdiction. Tax authorities may challenge SKF Vertevo's compliance with applicable transfer pricing rules, an area which is subject to particular scrutiny by tax authorities and frequently gives rise to disputes and litigation, including in relation to SKF Vertevo. In addition, SKF Vertevo faces the risk of increased taxation as a result of the implementation of new tax rules and regulations. SKF Vertevo is also regularly subject to local tax audits initiated by local tax authorities and is exposed to the risk that tax authorities or other supervisory authorities may interpret tax legislation differently than SKF Vertevo. The nominal value of SKF Vertevo's contingent liabilities in respect of tax disputes and audits amounted to MSEK 1,396 as at 31 December 2025.

In connection with the separation of SKF Vertevo's operations from SKF, SKF Vertevo and its tax advisors have made certain assessments regarding the tax consequences of the separation. There is a risk that national tax authorities or supervisory authorities may challenge SKF Vertevo's or its tax advisors' interpretation of the relevant tax laws and regulations. Should such a risk materialise, it could result in additional taxation and penalties for SKF Vertevo, which could have a material adverse effect on its business and financial position.

SKF Vertevo is exposed to insurance-related risks

SKF Vertevo maintains insurance coverage for various operational risks, including property damage, business interruption, marine cargo risk, product liability, general liability, professional indemnity, employers' practices and pension trustee liability, cyber risks, directors' and officers' liability and criminal liability. However, SKF Vertevo's insurance coverage may not be sufficient to cover all potential losses, and certain risks may not be insurable at commercially reasonable terms or at all. Insurance policies are subject to deductibles, exclusions, coverage limits, sub-limits and other restrictions that could result in SKF Vertevo incurring significant uninsured losses. For example, losses arising from certain natural disasters, pandemics, cyberattacks, occupational disease claims, regulatory fines, reputational damage or business interruption may be excluded or only partially covered, and insurance recoveries may be delayed (if any). There is a risk that insurance proceeds will not be sufficient to cover losses or that SKF Vertevo will not be able to recover such amounts in a timely manner.

SKF Vertevo's ability to obtain adequate insurance coverage in the future depends on market conditions, SKF Vertevo's claims history, the nature of its operations and the willingness of insurers to provide coverage. Insurance markets can experience periods of reduced capacity, increased premiums or stricter terms and conditions, particularly following major industry losses or changes in risk perception. Therefore, SKF Vertevo may face difficulties in obtaining adequate insurance coverage in the future, or in renewing existing insurance policies or obtaining new coverage at commercially acceptable terms, or at all. Significant increases in insurance premiums or reductions in coverage could increase SKF Vertevo's operating costs and risk exposure.

SKF Vertevo suffering losses that exceed insurance coverage, facing significant uninsured exposures, or failing to obtain adequate insurance at commercially reasonable terms could result in substantial financial losses, increased costs, operational disruptions and reduced risk management capacity, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

Financial risks

SKF Vertevo is exposed to currency exchange rate risks

SKF Vertevo conducts operations in approximately 40 countries and as a result is subject to the risks associated with cross-border transactions, including foreign currency exchange rate risks. SKF Vertevo is subject to currency exchange rate risks arising as a result of intra-group transactions between the Group's manufacturing companies and the Group's sales companies, situated in other countries, which sell the products to end-customers and from the sourcing of materials and products, export and import of products and sales outside the country of manufacture (transaction exposure), as well as through translation of results and net assets of foreign subsidiaries into SEK (translation exposure). In 2025, currency translation adjustments had a negative effect on SKF Vertevo's equity of MSEK –1,309, compared to a positive effect of MSEK 320 in 2024, illustrating the magnitude of translation exposure that can arise from a global manufacturing and sales footprint.

The major net deficit currencies that SKF Vertevo is exposed to are EUR and SEK. The major net surplus currencies that SKF Vertevo is exposed to are USD and CNY. A change up or down by 5 per cent in the value of each currency against SEK would affect SKF Vertevo's profit and loss for one year by approximately MSEK +/– 47, as a static calculation based on the distribution of earnings and costs as at 31 December 2025. This model does not include any dynamic effects, such as changes in competitiveness or customer behaviour arising from such changes in exchange rates.

The net of assets and liabilities in foreign subsidiaries constitute a net investment in foreign currency, which generates a translation difference in the consolidation of the Group (balance sheet exposure). This exposure can have an impact on the Group's total comprehensive income, and on the capital structure. A change up or down by 5 per cent in the value of each currency against SEK would affect the operating profit of the Group by MSEK +/– 24, as a static calculation as at 31 December 2025.

There is a risk that neither hedging transactions carried out by SKF Vertevo (if any), nor SKF Vertevo's ability to increase prices to reduce the effects of changes in exchange rates will be sufficient to protect the Group from currency exchange movements.

SKF Vertevo is exposed to liquidity and financing risks

SKF Vertevo is exposed to liquidity risk, being defined as the risk that the Group will encounter difficulties in raising funds to meet commitments. SKF Vertevo's liquidity may be affected by fluctuations in working capital requirements. Higher working capital requirements, particularly during periods of weaker demand and fluctuating vehicle production volumes, may reduce operating cash flow and increase SKF Vertevo's need for external financing. Adverse developments in customer payment patterns, inventory levels or supplier payment terms may also reduce SKF Vertevo's financial flexibility.

The Group is also exposed to the risk that financing of the Group's capital requirements and refinancing of existing borrowings may become more difficult, costly or impossible, which may in turn arise from matters outside of its control, such as a credit crisis or severe adverse economic conditions in the countries in which the Group operates (see "*SKF Vertevo is exposed to risks relating to macroeconomic factors*" above). The Group's external financing mainly comprises (i) a revolving credit facility of MEUR 400 (approximately BSEK 4.5), incorporating a swingline facility of BSEK 1.5, originally entered into with SEB and subsequently syndicated with a group of seven additional lenders, (ii) a loan facility with Bank of China Limited Shanghai Jiading Sub-branch of MCNY 760 (approximately BSEK 1.1) and (iii) a term loan facility with AB Svensk Exportkredit of MEUR 50 (approximately MSEK 550). SKF Vertevo's existing financing arrangements contain financial covenants, limitations on additional indebtedness and other restrictive terms that limit operational and financial flexibility. Failure to comply with such covenants could, among other things, result in acceleration of debt or loss of access to credit facilities. Adverse changes in SKF Vertevo's business performance, customer payment delays, increased working capital requirements or restricted access to financing could reduce SKF Vertevo's liquidity and ability to meet its financial obligations.

SKF Vertevo's ability to obtain financing depends on market conditions, its financial performance, credit risk assessments, covenant compliance and lender appetite. As a standalone listed company, SKF Vertevo's credit profile may be weaker than that of the SKF Group, which could result in higher borrowing costs or more restrictive financing terms in the future.

Should SKF Vertevo experience liquidity constraints, be unable to access financing on acceptable terms, or fail to comply with financial covenants it could result in inability to fund operations or investments, forced asset sales, restrictions on business activities, increased financing costs, covenant breaches, acceleration of debt obligations, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to its indebtedness
As at 30 September 2026, SKF Vertevo's net debt amounted to MSEK 2,488. If the Group has to increase its indebtedness in the future, for example, as a result of investments, strategic initiatives, working capital requirements or adverse business developments, this may increase SKF Vertevo's vulnerability to general economic and industry-related conditions, restrict the Group's flexibility with respect to planning for, or reacting to, changes in SKF Vertevo's business, competitive landscape and the industry in which SKF Vertevo operates, and adversely affect the Group's competitiveness, especially if its indebtedness exceeds that of its competitors. In addition, a higher level of indebtedness may increase the proportion of SKF Vertevo's cash flow required for debt service obligations and reduce the financial resources available for capital expenditures, product development activities, working capital requirements and other strategic initiatives.

Any significant increase in indebtedness could further constrain SKF Vertevo's operational and financial flexibility and have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to interest rate risks
SKF Vertevo is exposed to interest rate risk, defined as the risk of negative fluctuations in the Group's cash flow caused by changes in interest rates and does not encompass credit spread. SKF Vertevo's interest rate risk arises mainly in connection with its borrowing. Historically, SKF Vertevo has been financed primarily through equity and intra-group loans from SKF. In connection with the separation, SKF Vertevo has transitioned to a standalone financing structure and has entered into external financing arrangements, including term loan facilities of approximately MSEK 1,650 and a MEUR 400 revolving credit facility. Following the separation, there will be no loans outstanding between SKF Vertevo and SKF. Accordingly, the Group's interest rate exposure going forward will differ from its historical exposure as part of the SKF Group. Changes in market interest rates may increase the Group's financing costs under its external financing arrangements and any future borrowings. There is also a risk that the Group's financing requirements may increase in the future and that future borrowings are entered into at materially higher interest rates than those currently applicable. In addition, the Group holds assets and liabilities to manage the liquidity and cash needs of its day-to-day operations. These interest rate-sensitive assets and liabilities are also subject to interest rate risk. If interest rates rise, including in response to inflationary pressures or adverse economic developments, the Group's exposure to interest rate risk could increase, which could have a material adverse effect on the Group's interest expense, results of operations and cash flows.

SKF Vertevo is exposed to credit risk
The Group's operating and certain financing activities give rise to credit risk in relation to SKF Vertevo's counterparties. Credit risk is defined as the Group's exposure to losses in the event that the counterparty to an agreement does not fulfil its contractual obligations or a party to a financial instrument otherwise fails to discharge an obligation. The maximum exposure to credit risk for the Group amounted to MSEK 7,852 as of 30 September 2026 (MSEK 5,665 as of 31 December 2025).

Deterioration in the financial condition of SKF Vertevo's customers, particularly major OEMs or automotive Tier-1 suppliers, could result in payment delays, defaults or insolvencies, leading to increased bad debt losses and reduced cash flow. Certain customers may be in a position to negotiate extended payment terms, in some cases beyond 120 days. Such extended payment terms increase SKF Vertevo's working capital requirements and extend the period during which SKF Vertevo is exposed to the credit risk of the relevant customer. Where a customer with extended payment terms experiences financial difficulties or becomes insolvent before payment falls due, SKF Vertevo may suffer losses in respect of the full outstanding invoice amount, which may be significantly larger than would otherwise be the case under shorter payment terms. Economic downturns, industry restructuring or customer-specific financial difficulties could further increase credit risk exposure (see also "*SKF Vertevo is exposed to risks relating to macroeconomic factors*" above and "*SKF Vertevo is exposed to risks relating to the automotive industry and vehicle aftermarket*" above).

The potential inability of SKF Vertevo to collect outstanding trade receivables on a timely basis, or at all, could have a material adverse effect on SKF Vertevo's business, cash flows, financial position and results of operations.

SKF Vertevo is exposed to risks relating to inventory valuation
As at 30 September 2026, SKF Vertevo's inventories amounted to MSEK 7,407. Inventory levels are influenced by, among other things, production planning, customer order patterns, lead times for raw materials and the need to maintain stock. Given the customer-specific and platform-specific nature of many automotive components, SKF Vertevo may have limited ability to redeploy inventory if demand changes unexpectedly or customers' vehicle platforms are discontinued.

Inventories are carried at the lower of cost (first-in, first-out basis) or market value (net realisable value), and write-down of inventory may be necessary when cost exceeds the net realisable value. Inventory obsolescence can arise from changes in customer specifications, platform discontinuations, product redesigns, technological changes, quality issues or declining market demand. Automotive platforms generally have multi-year lifecycles, and inventory related to discontinued platforms or superseded product versions may have limited or no realisable value. Excess inventory resulting from overproduction, forecast errors or cancelled customer orders may also require write-downs if it cannot be sold at cost. Significant inventory write-downs could reduce profitability and adversely affect working capital efficiency. For example, during the first half of 2026, SKF Vertevo wrote off inventory with a value of approximately USD 45,000 that had been produced for a U.S.-based customer after the customer ceased placing orders. The inventory had been built up in anticipation of the customer's expected recurring orders.

SKF Vertevo experiencing significant inventory obsolescence, excess inventory levels or declining net realisable values could result in material inventory write-downs, reduced profitability, increased working capital requirements, cash flow constraints and operational inefficiencies, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to the valuation of goodwill

As at 30 September 2026, SKF Vertevo's goodwill amounted to MSEK 333 and other intangible assets amounted to MSEK 235, together representing 2 per cent of total assets. Goodwill is tested for impairment annually, or whenever there is an indication that the carrying amount of any asset may not be recoverable. An impaired asset is written down to its recoverable amount. The recoverable amount is the greater of the estimated fair value less costs to sell and value in use. In assessing value in use, a discounted cash flow model is used. This assessment contains a key source of estimation uncertainty as the estimates and assumptions used in the model encompass uncertainty about future events and market conditions. Consequently, actual outcomes may differ significantly.

Significant differences in the estimation of expected future results and the discount rates used would result in different asset valuations. Such significant differences and major asset related impairments or write-downs would have a material adverse effect on the Group's business, results of operations or financial position.

SKF Vertevo is exposed to risks relating to pension commitments

SKF Vertevo sponsors defined benefit pension plans in various jurisdictions. The most significant plans are located in Germany, India and France. Under defined benefit pension plans, the Company enters into a commitment to provide post-employment benefits based upon one or several parameters for which the outcome is not known at present. As at 30 September 2026, SKF Vertevo's provisions for pension obligations amounted to MSEK 228. The valuation of pension obligations and plan assets is subject to significant assumptions, including discount rates, pension increase rates, salary growth rates and life expectancy. Changes in these assumptions or in financial market conditions can materially affect the reported pension liability and annual pension costs. If SKF Vertevo's pension liabilities exceed its assets, this may have a material adverse effect on the Group's financial position.

SKF Vertevo experiencing adverse changes in pension assumptions, poor investment performance of plan assets or increased regulatory funding requirements could result in higher pension liabilities which could have a material adverse effect on SKF Vertevo's financial position and results of operations.

Risks related to the separation and distribution of the SKF Vertevo share

SKF Vertevo is exposed to risks relating to the separation and transition to a standalone company

The intended purpose of the separation of SKF Vertevo from SKF is to create a fully focused business with a dedicated management team, enabling SKF Vertevo to have a clearer focus on distinct opportunities in the automotive market, increased speed in decision-making and execution, transforming to a leaner and more cost-efficient setup and a value chain aligned with automotive Tier-1 requirements, as well as improved efficiency and competitiveness. The separation is expected to provide SKF Vertevo with agility to adapt more swiftly to market changes, stringent and optimised cost and profitability management, and capital deployment tailored to fit SKF Vertevo's strategic requirements. The establishment of a focused and independent business, tailored to its needs, is expected to unlock long-term value and accelerate profitable growth in SKF Vertevo's business. However, there is a risk that the anticipated benefits of the separation will not be achieved if the assumptions underlying the decision to carry out the separation turn out to be incorrect, if the anticipated benefits or underlying drivers have been overestimated, or if the transition proves more costly than anticipated. For example, SKF Vertevo, as a standalone company, may not be able to procure external financing or other financial services on conditions as favourable as those obtainable by SKF prior to the separation.

There is also a risk that investors' appetite for investing directly in SKF Vertevo is overestimated, which may lead to the share price in SKF Vertevo developing unfavourably following the listing of SKF Vertevo's shares on Nasdaq Stockholm. Moreover, to the extent that SKF Vertevo as a standalone company incurs additional costs or achieves lower revenues, its business, financial position and results of operations could be adversely affected and the anticipated benefits from the separation could fail to be realised (see also "*SKF Vertevo is exposed to risks relating to the implementation of standalone operations and processes*" below).

SKF Vertevo will be dependent on SKF as supplier of contract manufacturing services

SKF Vertevo has also entered into two substantially similar contract manufacturing agreements (**"CMAs"**) with SKF, each operating as a global master framework establishing the commercial, operational and legal terms pursuant to which SKF and SKF Vertevo will manufacture and supply bearings, seals and certain related products for each other. The CMAs are generally intended to serve as a temporary bridging solution until the parties have built up their own capacity to manufacture in-scope products or have implemented alternative sourcing solutions. However, it is the parties' ambition to reduce the contract manufacturing under the CMAs over time, as it is dilutive to both companies' margins. For the nine-month period ended 30 September 2026, the value of contract manufacturing under the CMAs sourced from SKF to SKF Vertevo amounted to BSEK 3.1, with an estimated annualised run-rate of BSEK 3.4. The contract manufacturing under the CMAs sourced from SKF Vertevo to SKF amounted to BSEK 0.8. The level of contract manufacturing is envisaged to decrease significantly over the medium term. The respective CMAs are in effect until terminated. Either party may as a general rule terminate the CMAs in whole or in part (including in respect of specific product lines) subject to 18 months' prior written notice during which the parties shall discuss a structured wind-down.

As the continuation of supply of certain products under the CMAs is critical to SKF Vertevo's business operations, any failures by SKF to meet its obligations under the CMAs, disagreements regarding their interpretation, early termination thereof or other significant disruptions, could have a material adverse effect on SKF Vertevo's business, operations, revenues, profitability, financial position and results of operations, including as a result of underutilised capacity, excess inventory and an inability to meet contractual customer commitments.

The CMAs contain provisions aimed at safeguarding the products manufactured thereunder. This includes, to the extent permitted under competition law, customer restrictions which limit each party's right to supply products manufactured under the CMAs to the other party's exclusive field, and an exclusivity commitment whereby the manufacturer, subject to certain limited exceptions, holds an exclusive right to manufacture and supply the in-scope products to the principal, and the principal is required to source all its requirements of such products from the manufacturer. Upon finding new sources of supply or as SKF Vertevo ramps-up its own capacity, there is a right to terminate the CMA for convenience upon 18 months' notice, during the last six months of said notice period the exclusivity is partly phased out to enable ramp-up of the principal's own production or alternative sourcing. Although the exclusivity commitment and customer restrictions under the CMA are intended to enhance competitiveness within each party's respective segment, they may limit commercial flexibility over the longer term, which could materially and adversely affect the business operations and prospects of SKF Vertevo. Also, the CMAs may adversely affect commercial and operational flexibility resulting in adverse effects on profitability and results of operations due to their pricing model and certain reserve manufacturing capacity obligations.

In each quarter the party acting as principal under the CMA places an order for a certain volume of products two quarters out. The principal commits to purchase 95 per cent of the volume of such quarterly order. In the event of a decrease in demand during these two quarters, the principal may be required to compensate for the manufacturer's costs regarding volumes in excess of its actual demand in accordance with an agreed mechanism. The call-off lead time mechanism in the CMAs provides for variable call-off lead times determined by the manufacturer from time to time by reference to its material lead times and certain other factors, without any defined maximum call-off lead time. This could lead to the principal being unable to meet customer demand or fulfil contractual obligations towards its customers. In order to avoid this risk, the principal might be forced to build up stocks, which would lead to an increase of cost and net working capital. In addition, the CMAs also require mutual consent for certain changes, meaning that each party, in their respective capacity as principal, effectively will have veto rights regarding certain changes affecting products and the supply chain. This could limit SKF Vertevo's flexibility to optimise operations and negatively impact its ability to adapt to unforeseen events or changing conditions, which may adversely affect cost efficiency and profitability.

Although the notice period for termination by convenience is intended to accommodate processes commonly required in the automotive industry such as the production-part approval process (PPAP), it may nevertheless provide insufficient time for SKF Vertevo to transition to an alternative supplier for critical products, particularly in light of such requirements and other obligations relating to supply chain changes. In such a scenario, SKF Vertevo could be unable to fulfil contractual commitments to its customers, which could result in liability claims and loss of customers, which could have a material adverse effect on SKF Vertevo's revenues and profitability. In addition, any failure by SKF or an SKF supplier or assignee to comply with its contractual obligations relating to the supply of products or services to SKF Vertevo, including by ceasing to supply such products or services on the agreed terms, or the terms otherwise having to be renegotiated or modified due to an assignment to a third party, could have a material adverse effect on SKF Vertevo's business, financial condition and results of operations.

SKF Vertevo's ability to seek compensation is subject to customary limitations of liability with limited exceptions and, as is customary in commercial contracts, the remedies available to SKF Vertevo may be insufficient to fully compensate for the operational and financial consequences of a material failure by the other party. In addition, if products manufactured and supplied by SKF under the relevant CMAs are affected by defects, quality deficiencies or performance issues, the remedies available under the CMA may not fully cover SKF Vertevo's resulting liabilities and obligations towards its customers. This could, in turn, have a material adverse effect on SKF Vertevo's business, operations, financial position and results of operations.

SKF Vertevo will be dependent on continued access to certain cross-licensed intellectual property

As part of the separation, SKF Vertevo and SKF have allocated ownership of intellectual property ("**IP**") based on predominant use and entered into a Background Intellectual Property/Intellectual Assets Licence Agreement (the "**BIPLA**") to establish a cross-licensing framework relating to IP used by both SKF Vertevo and SKF to independently operate and develop its respective business following the separation. As part of the BIPLA, each party grants the other party royalty-free, exclusive, cross-licences to patents, design rights and intellectual assets, SKF Vertevo is also granted a right to use certain software and will, for this particular software, rely on SKF to provide certain services under a Software Services Agreement (the "**SSA**"). SKF Vertevo and SKF have also entered into a Trademark Licensing Agreement (the "**TLA**") under which SKF Vertevo is granted a long-term licence to the SKF trademarks. The BIPLA, SSA and TLA are collectively referred to as the "**IP Agreements**" and any IP licensed under the IP Agreements are collectively referred to as the "**Licensed IP**".

As the licences, rights and software services provided under the IP Agreements are critical to SKF Vertevo's business operations, any failures by either party to meet its obligations under the IP Agreements, disagreements regarding their interpretation, early termination thereof or other significant disruptions, could have a material adverse effect on SKF Vertevo's business, operations, revenues, profitability, financial position and results of operations. For example, a termination of any of the IP Agreements would revoke SKF Vertevo's right to use the IP previously licensed or provided thereunder, including the SKF trademarks. As the Licensed IP is abundant and includes unique assets of high value and complexity, the sunset provisions and phase-out periods in the agreements, while in length comparable with the range commonly seen in the market, may be insufficient to mitigate the effects of such termination on the Group's business.

The IP Agreements contain provisions aimed at safeguarding the Licensed IP, including field of use and customer restrictions. The restrictions limit, to the extent permitted under competition law, each party's right to use the Licensed IP to its own exclusive field and, consequently, SKF Vertevo's opportunities to operate freely and dynamically using the Licensed IP outside its exclusive fields. In addition, if any restriction were to be deemed incompatible with

competition law in relation to a certain product market, any IP licences granted under the BIPLA or the TLA in relation to such product market may be terminated during the first ten years if the parties are not able to mitigate the effect of such incompatibility. Such termination would have the effect that the party previously being the licensee of such IP loses its rights to use the IP in relation to such product markets and that the party previously being the licensor of such IP may use it freely, also within the other party's exclusive field. Such termination could result in a loss of competitiveness, restricted market access and adverse effects on SKF Vertevo's revenues and profitability in the affected product markets.

SKF Vertevo's ability to seek compensation is subject to customary limitations of liability with limited exceptions and, as is customary in commercial contracts, the remedies available to the Company may be insufficient to fully compensate for the operational and financial consequences of a material failure by the other party. In particular, service level remedies in the SSA are confined to escalation procedures and customary breach of contract remedies.

The IP Agreements further contain change of control provisions pursuant to which a change of control occurs if anyone who is not already a major shareholder (as defined in the agreements) acquires control of 30 per cent or more of the voting rights in either SKF Vertevo or SKF, and provisions governing situations where a competitor or sanctioned party undertakes certain actions in relation to SKF Vertevo or SKF concerning the Licensed IP. In such circumstances, obligations and limitations may be imposed on the affected party to safeguard the Licensed IP and the non-affected party is, as a last resort if the imposed measures fail to safeguard the Licensed IP, entitled to terminate the relevant IP agreement(s). A termination of any agreement under these provisions by SKF would result in the termination of the licences granted thereunder, which would adversely affect SKF Vertevo's ability to use the relevant IP and hence could materially disrupt its business operations.

SKF Vertevo will be dependent on SKF as supplier for certain functions over a transitional and long-term period

SKF Vertevo has entered into a transitional services agreement with SKF under which SKF Vertevo and SKF will provide certain services relating to shared facilities, logistics and warehousing and limited IT services. The term of the different services varies between a few months to approximately 18 months from the distribution of the shares in SKF Vertevo. Shortcomings in either party's fulfilment of its obligations under the agreement, as well as disagreements over interpretation or other disruptions in the provision of the services could adversely impact the operations of SKF Vertevo. After the transitional period, SKF Vertevo is required to have implemented sufficient replacement services or capabilities. Such new services or capabilities could be of a lower quality, or more expensive, than the services previously provided by SKF, which could have an adverse impact on the profitability of SKF Vertevo.

Due to some operational entanglements between SKF Vertevo and SKF, the companies have also entered into a services agreement (the "**SA**") under which SKF Vertevo and SKF will provide each other with certain services, which are primarily facility-related, that neither group can independently perform, such as the supply of electricity and certain other utilities. The services under the SA will be provided for a longer period than the transitional services described above, reflecting the fact that certain operational interdependencies arising from shared sites are unavoidable and cannot reasonably be resolved within a transitional timeframe. Shortcomings in either party's fulfilment of its obligations under the SA, as well as disagreements over its interpretation or other disruptions in the provision of services, could adversely impact the operations of SKF Vertevo. In particular, the longer duration of the SA means that both parties will remain exposed to risks relating to service quality, pricing adjustments, changes in SKF's operations and the continued availability of third-party consents and licences necessary for the provision of the services, which could thus have a negative impact on the Group's profitability, operational results and financial position.

SKF Vertevo is exposed to risks relating to unforeseen contractual liabilities resulting from the separation

Under the master separation agreement entered into between SKF Vertevo and SKF in connection with the separation of SKF Vertevo from the SKF Group, SKF Vertevo shall, as a general rule, indemnify SKF for any liability or loss caused by or relating to any past or present business of the SKF Vertevo business area. Correspondingly, SKF shall, as a general rule, indemnify SKF Vertevo for any liability or loss caused by or relating to the remaining SKF business. Should there occur unforeseen significant liabilities pertaining to SKF Vertevo's business that would trigger SKF Vertevo's indemnification liability towards SKF, this could lead to increased costs for SKF Vertevo. Such liabilities could include environmental liabilities, product liability claims, litigation, regulatory fines, tax assessments or other claims relating to SKF Vertevo's historical or current operations.

If SKF Vertevo and SKF fail to agree on the allocation of liability in any matter described above, the matter may need to be resolved through arbitration, mediation or litigation procedures, which may be both protracted and costly for SKF Vertevo and could divert management attention from operations. Adverse outcomes in such disputes could result in SKF Vertevo being required to pay significant amounts to SKF or third parties, which could have a material adverse effect on SKF Vertevo's financial position and results of operations.

If SKF Vertevo fails to comply with its obligations under separation-related agreements, or if unforeseen liabilities arise under such agreements, this could result in significant costs, disputes, operational disruptions and reputational damage, any of which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

SKF Vertevo is exposed to risks relating to the implementation of standalone operations and processes

Prior to the distribution and the listing of the shares in SKF Vertevo, operations that were previously carried out by SKF Vertevo as part of the SKF Group have been separated from SKF. In the capacity as a separate listed company, SKF Vertevo will be subject to certain laws, regulations and requirements, including, but not limited to, obligations regarding information disclosure, corporate governance, financial and sustainability reporting, internal controls, compliance and investor relations. In view of the foregoing, several new functions and work processes have been established in SKF Vertevo. Functions managed by SKF prior to the listing, such as

treasury, group consolidation, financial reporting, investor relations, tax, legal, compliance, HR, IT, procurement, logistics and other corporate processes, have been established separately by SKF Vertevo. The fact that certain functions and work processes are newly established in SKF Vertevo may increase the risk of misunderstandings, uncertainties, errors and governance failures, which could have a material adverse effect on SKF Vertevo's business, financial position and results of operations.

The new functions and work processes may also entail increased costs and certain activities may be more difficult, require more time and/or become more expensive than anticipated, and the demands on SKF Vertevo's systems and resources may increase. The establishment of new standalone functions and processes has required the recruitment and integration of new personnel and the transfer of responsibilities previously performed within the SKF Group. If transitions are not implemented successfully, SKF Vertevo may experience operational inefficiencies, delays, loss of institutional knowledge or disruptions to business processes. Furthermore, the Board of Directors and the Executive Management Team of SKF Vertevo may be required to devote significant time and effort to ensure compliance with rules and regulations applicable to listed companies, establish internal controls and governance structures, and manage the separation process, which may entail that less time and effort can be devoted to other aspects of the business. The implementation of standalone operations and processes may require significant personnel, financial and technological resources. Delays in securing such resources, or competing demands on management and operational functions, may delay the implementation of standalone processes and adversely affect operational efficiency.

Moreover, the asset pool of SKF Vertevo as a standalone company will be smaller than the combined asset pool within the SKF Group. Accordingly, every risk that currently exists in the SKF Vertevo Group and which will continue to exist after the distribution will be of greater proportional significance to SKF Vertevo's business than for SKF Vertevo as part of the SKF Group. This may affect, for example, the capability to manage unforeseen claims and expenses of material significance, absorb the impact of major customer losses, manage supply chain disruptions or respond to adverse market conditions. Furthermore, the more streamlined operation to be conducted in SKF Vertevo as a standalone company will not have the same opportunity to balance the effects of certain operational risks as it would as an integral part of the SKF Group, which benefits from diversification across multiple business areas, geographies and customer segments. Accordingly, major unforeseen claims and expenses, significant changes in input costs, customer demand fluctuations or operational disruptions could therefore have a material adverse effect on SKF Vertevo's results of operations, cash flow and financial position.

RISKS RELATED TO THE SHARES IN SKF VERTEVO

The share price can be volatile and the share price development is affected by several factors

Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. As an example, the lowest and highest closing prices for series A shares in SKF from 1 January to 30 September 2026, during which time SKF Vertevo was part of the SKF Group, were SEK 212.00 and SEK 279.00, respectively, while the lowest and highest closing prices for series B shares in SKF during the same period were SEK 210.80 and SEK 278.00, respectively. The performance of the SKF Vertevo share will depend on multiple factors, some of which are company- and/or industry-specific, while others relate to broader stock market developments. The share price may, for example, be affected by supply and demand dynamics, fluctuations in SKF Vertevo's actual or projected financial results, changes in earnings forecasts, failure to meet analysts' expectations, or failure to achieve financial or operational targets. The share price may also be affected by general economic conditions, changes in regulatory frameworks, geopolitical developments, or transactions involving significant shareholders.

In addition, external factors outside SKF Vertevo's control, including macroeconomic downturns, disruptions in global financial markets, changes in the automotive industry, or adverse geopolitical developments, may contribute to significant share price volatility (see also "*SKF Vertevo is exposed to risks relating to macroeconomic factors*" above and "*SKF Vertevo is exposed to risks relating to geopolitical conditions*" above). The price of SKF Vertevo's share may therefore fluctuate substantially over time, which could have a material adverse effect on the value of an investor's shareholding.

SKF Vertevo's ability to pay future dividends depends on several factors

Payment of dividends may only take place if there are distributable funds held by SKF Vertevo and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met under applicable law. Such requirements depend on SKF Vertevo's equity, consolidation needs, liquidity and position in general for a certain financial year. Furthermore, future dividends, and the size of any such dividends, depend on SKF Vertevo's future results, financial position, cash flows, working capital requirements, capital expenditure needs, debt service obligations, compliance with financial covenants and other factors.

According to SKF Vertevo's dividend policy, the ordinary dividend pay-out ratio should amount to 30–50 per cent of SKF Vertevo's average net profit calculated over a business cycle. SKF Vertevo's dividend policy is based on the principle that the total dividend should be adapted to the trend for earnings and cash flow, while considering the Group's development potential and financial position. However, there is a risk that distributable dividends will not be available in any financial year which would reduce return on an investor's invested capital. Notwithstanding SKF Vertevo's dividend policy, the Board of Directors does not currently expect to propose any dividend in respect of the financial year 2026 for approval at the Annual General Meeting 2027.

An active, liquid and functioning trading market for SKF Vertevo's shares may not emerge following the listing

Prior to the listing on Nasdaq Stockholm, no public market exists for SKF Vertevo's shares. Following the distribution and listing of SKF Vertevo's shares on Nasdaq Stockholm, there is a risk that the trading market for SKF Vertevo's shares may be less active than the market for SKF's shares. Low liquidity of SKF Vertevo's shares may result in difficulties in selling shares of SKF Vertevo at a point in time that is considered desirable for the shareholder or at a price level that could be obtained if a favourable liquidity situation prevailed. Furthermore, there is a risk that the liquidity of SKF Vertevo's series A shares will be more limited than the liquidity of SKF Vertevo's series B shares (among other things due to lower number of series A shares and shareholders). This presents a significant risk for single shareholders, in particular single shareholders of series A shares.

Shareholders in the United States and certain other jurisdictions are subject to specific share-related risks

SKF Vertevo's shares will be listed in SEK on Nasdaq Stockholm, and any dividends will be paid in SEK. Shareholders outside Sweden may therefore experience a negative impact on the value of their holdings and any dividends received when converted into other currencies. A weak development of SEK may have a negative impact on shareholdings denominated in other currencies. In addition, tax legislation in both Sweden and the shareholder's home country may affect the income from any dividend.

Securities laws in certain jurisdictions may restrict participation in new share issues and other offerings if securities are offered to the general public. Following the distribution of SKF Vertevo's shares, SKF Vertevo will have shareholders located in, for example, the United States, Canada, Australia and Japan, where national securities laws impose such restrictions. If SKF Vertevo issues new shares with preferential rights for existing shareholders, investors in jurisdictions with such restrictions may be unable to participate in such offerings or may face limitations in doing so. Such restrictions present a significant risk to shareholders located in the United States and in other jurisdictions where such limitations apply.


End

INFORMATION ABOUT THE PROSPECTUS

COMPETENT AUTHORITY APPROVAL

This prospectus has been approved by the SFSA (Sw. *Finansinspektionen*) as competent authority under Regulation (EU) 2017/1129 (the Prospectus Regulation). The SFSA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The prospectus was approved by the SFSA on 10 November 2026.

The prospectus is valid for a maximum of twelve months after the date of the approval of the prospectus, provided that it is complemented by any supplement required pursuant to Article 23 of the Prospectus Regulation (EU) 2017/1129. Any supplements will be published on SKF Vertevo's website, www.skfvertevo.com. The obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply once the shares in SKF Vertevo have been admitted to trading on Nasdaq Stockholm.

The information contained in this prospectus is accurate only as at the date of this prospectus. Any updates will be made to the extent required in accordance with the provisions on supplements under the Prospectus Regulation (EU) 2017/1129.

RESPONSIBILITY DECLARATION

The Board of Directors of SKF Vertevo is responsible for the content of this prospectus. To the best of the Board of Directors' knowledge, the information contained in the prospectus is in accordance with the facts and the prospectus makes no omission likely to affect its import.

For additional information on the Board of Directors, please refer to "*Corporate governance–Board of Directors*".

FINANCIAL INFORMATION IN THE PROSPECTUS

This prospectus contains:

- SKF Vertevo's audited combined financial statements for the financial years 2025 and 2024, which have been prepared in accordance with IFRS® Accounting Standards as endorsed by the European Union (EU) ("**IFRS**"), and audited by Deloitte AB, as set forth in the audit report included elsewhere in this prospectus; and
- SKF Vertevo's unaudited combined financial statements for the period January to September 2026, which have been prepared in accordance with IAS 34 (Interim Financial Reporting), and reviewed by Deloitte AB, as set forth in the auditor's report included elsewhere in this prospectus, with comparative information for the corresponding period 2025.

With the exception of the historical financial information on pages F-2–F-20 and F-21–F-52 respectively, in this prospectus, no information herein has been audited or reviewed by the Company's auditor.

IFRS does not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to IFRS 10 (Consolidated Financial Statements). The combined financial statements are intended to present SKF Vertevo's historical financial information. One important requirement for the preparation of these combined financial statements is that all entities are under common control via SKF's ownership.

The formation of SKF Vertevo comprised transactions between entities that are under common control. Since neither these transactions nor the combined financial statements are covered by any IFRS standard, management should, according to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), develop and apply an accounting policy that is, inter alia, relevant and reliable.

A suitable and established method that management considers to be relevant and reliable is to aggregate the units forming SKF Vertevo and use previous carrying amounts (predecessor basis of accounting), which is the principle that SKF Vertevo has applied. The basis for allocating assets and liabilities to SKF Vertevo has primarily been SKF Group's internal operating reporting of assets and liabilities used in its automotive business. Some of those assets and liabilities have been shared with the remaining SKF business. When the automotive business, during 2025 and 2026, has been transferred from shared legal entities to SKF Vertevo entities, the allocation of those assets and liabilities in the combined financial statements has been replaced by the actual assets and liabilities transferred. Hence, the combined balance sheet as at 30 September 2026 is a reflection of the legal ownership and future consolidated balance sheet. For further information and additional accounting policies, please see "*Note 1 – Significant accounting principles – assessments and assumptions for accounting purposes*" on page F-26 and onwards in "*Historical financial statements*".

SKF Vertevo presents its financial statements in SEK. All foreign subsidiaries report in their functional currency. Upon consolidation, balance sheet items are translated to SEK at period-end exchange rates and income statement items at average exchange rates. Exchange differences arising from translation are recognised via other comprehensive income. Assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date.

Alternative performance measures (non-IFRS measures)

In this prospectus, SKF Vertevo presents certain key operating metrics and ratios that are not defined under IFRS (alternative performance measures, APMs). These APMs are used by SKF Vertevo's Executive Management Team to assess and monitor the financial and operational performance of SKF Vertevo. SKF Vertevo believes that these measures also provide helpful supplementary information for investors in order to review SKF Vertevo's performance. Such measures may not be comparable to similar measures presented by other companies. Consequently, APMs may have limitations as analytical tools and should not be considered in isolation of or as a substitute for related financial measures prepared in accordance with IFRS. The components included in the calculations of the APMs have been derived from SKF Vertevo's financial reports and SKF Vertevo's internal reporting system. The APMs have not been audited or reviewed by the Company's auditor.

Rounding

Certain numerical information and other amounts and percentages presented in this prospectus may not sum due to rounding. In addition, certain figures in this document have been rounded to the nearest whole number.

CURRENCY

In this prospectus, all references to: (i) "**SEK**" are to Swedish krona, the lawful currency of Sweden; (ii) "**EUR**" are to euro, the single currency of the member states of the European Union participating in the European Monetary Union having adopted the euro as its lawful currency; (iii) "**USD**" are to U.S. dollars, the lawful currency of the United States; and (iv) "**CNY**" are to Chinese renminbi, the lawful currency of China; ("**B**" indicates billions and "**M**" indicates millions). Where amounts denominated in currencies other than SEK have been translated into SEK for the convenience of the reader, such translations have been made using the applicable exchange rate published by the Swedish Riksbank as at 30 September 2026 and are provided for illustrative purposes only.

INDUSTRY AND MARKET DATA

This prospectus contains statistics, data and other information relating to markets, market sizes, market shares and market positions pertaining to SKF Vertevo's business and markets that reflects SKF Vertevo's own assessment. Such assessment is based on market insights commissioned and paid for by SKF Vertevo and prepared by McKinsey & Company in December 2025 (updated with market data in June 2026), together with other external sources, including S&P Global (data retrieved in 2026), Arval Mobility Observatory, Centre for Monitoring Indian Economy (CMIE), Climate Policy Initiative, International Council on Clean Transportation (ICCT) and the International Energy Agency (IEA). The information sourced from third parties has been accurately reproduced and, as far as SKF Vertevo is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, SKF Vertevo has not independently verified and cannot give any assurance as to the accuracy of market data contained in this prospectus that was extracted or derived from such third parties. Market data and statistics are inherently unpredictable and subject to uncertainty and are not necessarily reflective of actual market conditions. Market data and similar information involve risks and uncertainties and is subject to change based on various factors, including those described in "*Risk factors*". Forward-looking statements do not constitute any guarantee regarding future development, and the actual outcome may differ significantly from that which is expressed in forward-looking statements. Please also refer to "*Important information–Forward-looking statements*".

ADVISORS, ETC.

Morgan Stanley and SEB provide financial advice to SKF Vertevo in conjunction with the distribution and the listing on Nasdaq Stockholm. From time to time, Morgan Stanley (and its affiliates) and SEB (and its affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to SKF Vertevo for which they have received, and may receive, compensation. Furthermore, SEB is a provider of a revolving credit facility to SKF Vertevo.

Mannheimer Swartling Advokatbyrå AB is SKF Vertevo's legal advisor as to Swedish law, and Davis Polk & Wardwell LLP is SKF Vertevo's legal advisor as to U.S. law in relation to the distribution and the listing of its shares on Nasdaq Stockholm.



BUSINESS DESCRIPTION

SKF VERTEVO IN BRIEF

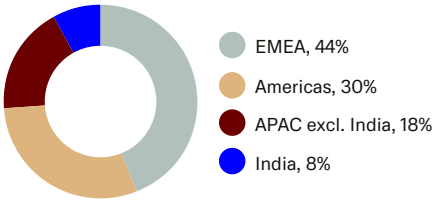
SKF Vertevo is a global provider of customised automotive bearings and related products and solutions with a diversified customer base and manufacturing footprint. Through close and long-standing customer relationships, SKF Vertevo supports mobility applications where durability, precision, efficiency, noise and vibration performance and lifecycle reliability are critical. The Group combines more than a century of bearing engineering heritage with a premium brand, application know-how, manufacturing capabilities, product quality and performance, sustainability focus and a broad aftermarket distribution platform.

Key statistics as of 30 September 2026

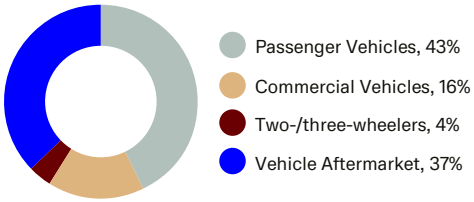
Financial profile

Net sales	Adjusted operating profit[1] / Adjusted operating margin[1]	Net debt/ adjusted EBITDA[1]
BSEK 18 Jan–Sep 2026	BSEK 0.9 / 5.1% Jan–Sep 2026	~0.0x Estimated at listing[2]

Net sales by geographic area (Jan–Sep 2026)



Net sales by end-market (Jan-Sep 2026)



Commercial profile

EV OEM coverage	Customer coverage	Aftermarket offering
Supplier to all of the world's top 20 EV OEMs by estimated EV production volume in 2026[3]	>9,000 VA customers	>50,000 stock keeping units ("**SKUs**")

Operational profile

Employees	Manufacturing facilities	Technical centres	Distribution network
7,435	16	10	▪ 9 kitting centres ▪ 52 warehouses ▪ 31 remote local stock locations



1) See also "*Financial information–Key performance indicators*".
2) See also "*Funding and borrowing structure*" below.
3) SKF Vertevo's assessment, based on S&P Global. Light Vehicle Production Forecast, Online database, June 2026.

MARKET OVERVIEW

The statistics, data and other information contained in this prospectus relating to markets, market sizes, market shares and market positions pertaining to SKF Vertevo's business and markets reflects SKF Vertevo's own assessment. Such assessment is based on market insights commissioned and paid for by SKF Vertevo and prepared by McKinsey & Company in December 2025 (updated with market data in June 2026), together with other external sources, including S&P Global (data retrieved in 2026), Arval Mobility Observatory, Centre for Monitoring Indian Economy (CMIE), Climate Policy Initiative, International Council on Clean Transportation (ICCT) and the International Energy Agency (IEA) (together, the "**Market Insight**"). For additional information, please see "*Information about the prospectus–Industry and market data*".

Market dynamics

Overview of the automotive bearing market[1)]

SKF Vertevo operates in the automotive bearing market across two primary channels: Original Equipment ("**OE**") and Vehicle Aftermarket ("**VA**"). The two channels have different market dynamics: OE demand is cyclical, tied to vehicle production volumes and technological development, whereas VA demand is more stable, underpinned by an ageing and growing vehicle parc[2)]. Electrification is reshaping demand patterns in both channels through its impact on bearing content and maintenance requirements.

Original Equipment

SKF Vertevo serves global and regional Original Equipment Manufacturers ("**OEMs**") as well as automotive Tier-1 suppliers across three end-user categories:

- *Passenger Vehicles* ("**PVs**"): Passenger cars, light Commercial Vehicles up to six tonnes, pick-up trucks and high-performance vehicles.
- *Commercial Vehicles* ("**CVs**"): Light- to heavy-duty trucks, trailers and buses.
- *Two-/three-wheelers*: Motorcycles, scooters, mopeds and other two-/three-wheeled vehicles used for personal transport or light cargo.

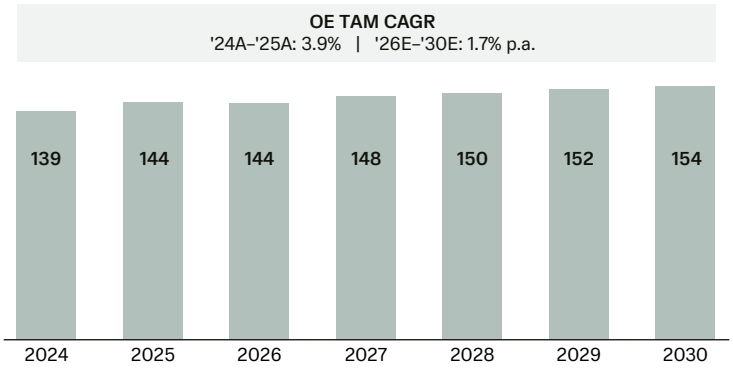
Within these categories, SKF Vertevo serves both Internal Combustion Engine ("**ICE**") vehicle and Electric Vehicle ("**EV**") platforms. EVs refer to battery- and fuel-cell-powered vehicles, including hybrid vehicles with a battery capacity exceeding 20 kWh. Furthermore, SKF Vertevo maintains technical partnerships with high-end OEMs to provide advanced equipment for high-performance applications.

The global total addressable market ("**TAM**") for OE bearings is estimated at BSEK 144 in 2026, with a projected compound annual growth rate ("**CAGR**") of 1.7 per cent through 2030. PVs represent the largest end market within OE bearings at an estimated value of BSEK 116 in 2026, and therefore have the greatest influence on the development of the overall market. In comparison, CVs and two-/three-wheelers are smaller, at an estimated BSEK 20 and BSEK 8, respectively, in 2026. Two-/three-wheelers are expected to exhibit the highest growth rate with a projected CAGR of 3.8 per cent through 2030, compared with 1.6 per cent for PVs and 1.3 per cent for CVs. As at 30 September 2026, SKF Vertevo had a market share of 11 per cent in the global OE bearings market.[3)]

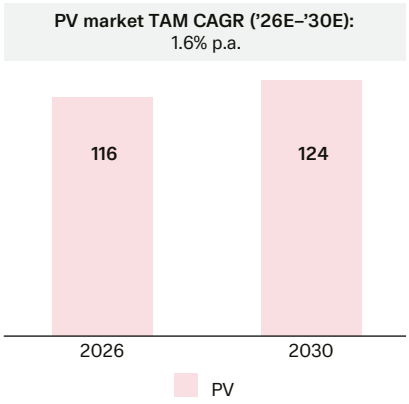
By geography, Asia-Pacific ("**APAC**")[4)] is the largest region, representing an estimated TAM of BSEK 65 in 2026. Europe, Middle East and Africa ("**EMEA**") and the Americas follow at BSEK 35 and BSEK 31, respectively, with India being the smallest region at BSEK 12. India is nonetheless the fastest growing of the four regions, with an expected CAGR of 3.6 per cent through 2030. The Americas and EMEA come next, with CAGRs at 3.1 per cent and 2.1 per cent, respectively, while APAC has the lowest expected CAGR at 0.4 per cent.

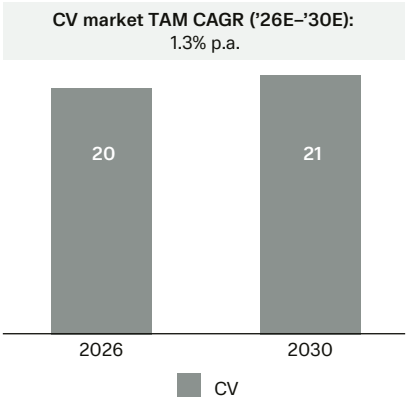
1) The Market Insight and SKF Vertevo's assessment.
2) Arval Mobility Observatory. Fleet and Mobility Barometer 2026 – Global Report, April 2026.
3) Based on SKF Vertevo's OE net sales, on a last twelve-month basis, in relation to the estimated TAM for OE bearings in 2026.
4) Unless otherwise indicated, references to APAC exclude India.

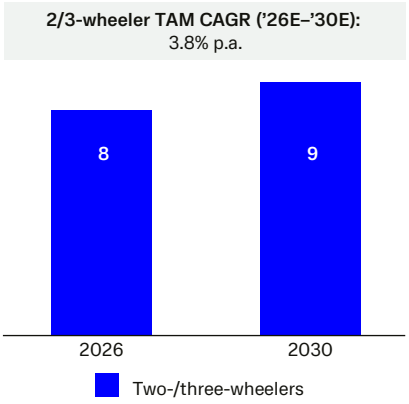
OE bearing TAM (BSEK)[1]



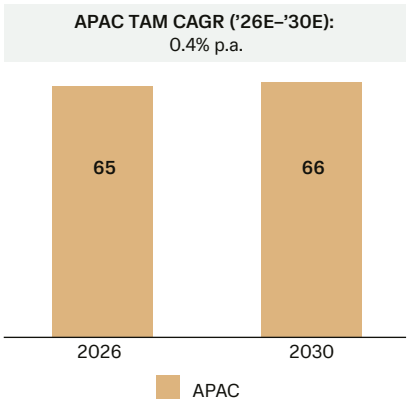
OE bearing TAM by vehicle type (BSEK)[2]

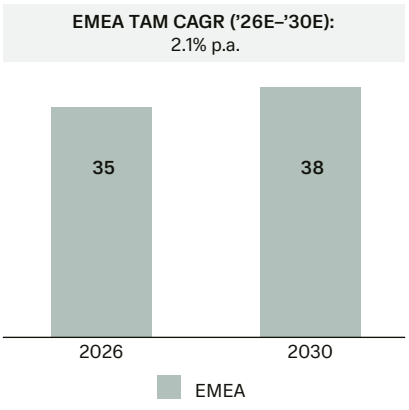


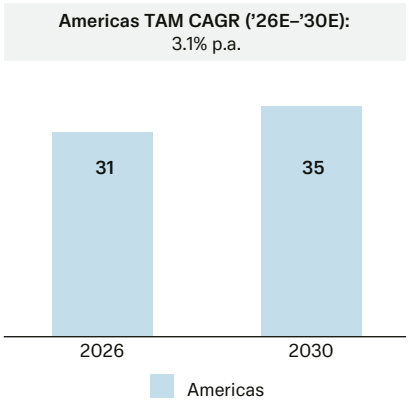


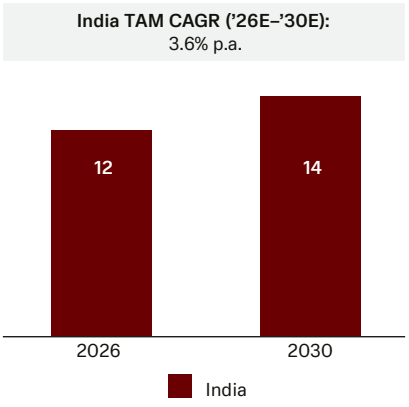


OE bearing TAM by geography (BSEK)[3]









1) The Market Insight.
2) The Market Insight.
3) The Market Insight.

Vehicle Aftermarket

SKF Vertevo serves distributors, buying groups, retailers, workshops, fleet operators and digital marketplaces in the independent aftermarket, as well as OEMs' own aftersales channels (OES). The Group serves customers across PVs, CVs and two-/three-wheelers, for both ICE and EV platforms. Demand is driven by the size, age and utilisation of the vehicle parc, rather than new vehicle production alone, creating recurring need for maintenance, repair and replacement solutions throughout the vehicle lifecycle. Effective product lifecycle management is critical to retain market relevance over the full vehicle lifetime and to avoid ceding mature vehicle categories to lower-cost competitors.

SKF Vertevo's core VA business focuses on repair-critical categories such as bearings, wheel-end bearings, seals, powertrains and drivelines, all areas in which SKF Vertevo has a long history. Beyond its core VA categories, SKF Vertevo is positioned to further strengthen its presence in adjacent categories, including brakes as well as steering and suspension, building on its expansion in these categories since 2020. The core VA market is valued at BSEK 1,204 globally in 2026 with a projected CAGR of 1.9 per cent through 2030. Besides the core VA market, SKF Vertevo's adjacent VA categories are expected to account for 53 per cent of the total global VA TAM in 2026, with a projected CAGR of 3.1 per cent until 2030. Brakes as well as steering and suspension are natural VA adjacencies, as they are typically addressed through the same repair events and channels as SKF Vertevo's existing offering.

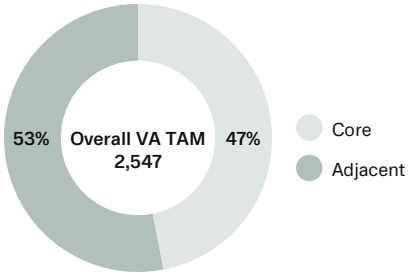
Thereby, these adjacent categories are expected to provide additional growth opportunities. Across the portfolio, the VA benefits from recurring replacement demand, increasing vehicle complexity as well as customer buying criteria, including availability, fitment accuracy and dependable fulfilment.

In total, the VA TAM is valued at BSEK 2,547 in 2026 with an expected CAGR of 2.6 per cent through 2030. By vehicle type, PVs and CVs are broadly similar in size within the VA market, at BSEK 1,292 and BSEK 1,240 respectively in 2026. Two-/three-wheelers represent a smaller share of the VA market, at BSEK 14. However, it is expected to be the fastest growing vehicle type within the VA, with an expected CAGR of 7.4 per cent through 2030, ahead of PVs at 3.3 per cent and CVs at 1.7 per cent.

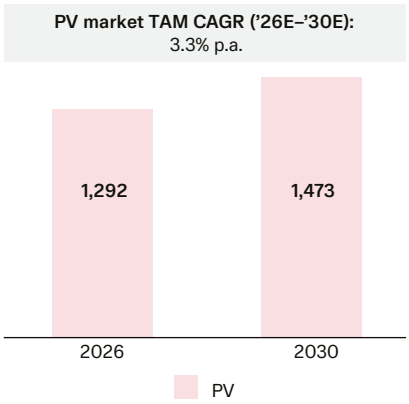
By geography, APAC is the largest region, estimated at BSEK 871 in 2026. The Americas and EMEA follow at a comparable scale of BSEK 727 and BSEK 723, while India is the smallest at BSEK 226. The growth pattern is the reverse, as India is the fastest growing of the four regions with an expected CAGR of 4.2 per cent through 2030. EMEA and the Americas come next at 3.0 per cent and 2.9 per cent, respectively, whereas APAC is expected to have a CAGR of 1.5 per cent.

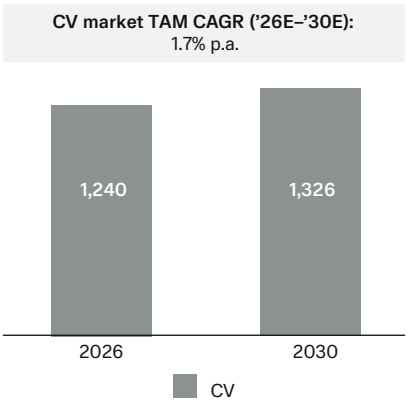


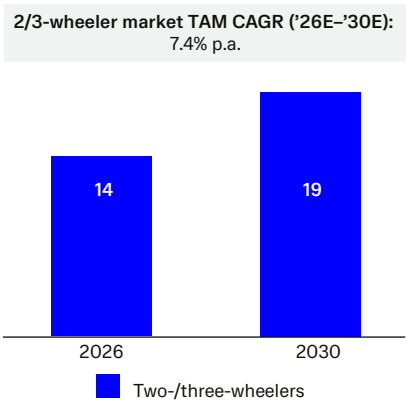
VA core and adjacent markets TAM, 2026E (BSEK)[1)]



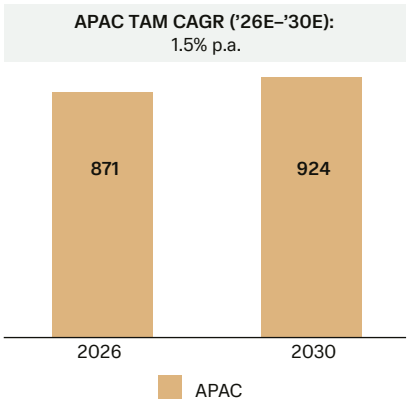
VA TAM by vehicle type, (BSEK)[2)]

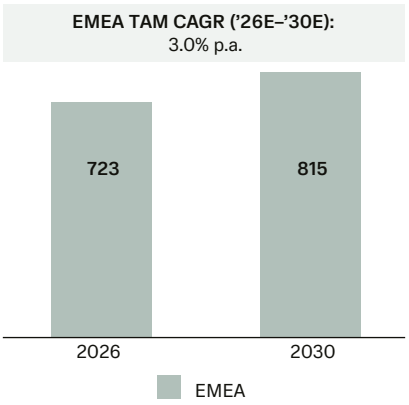


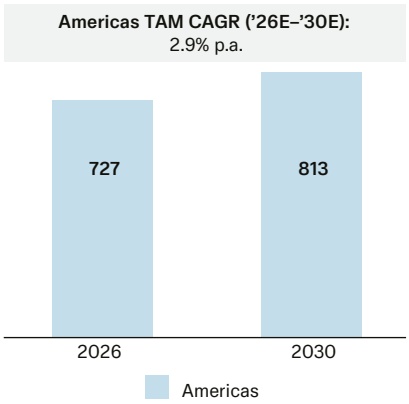


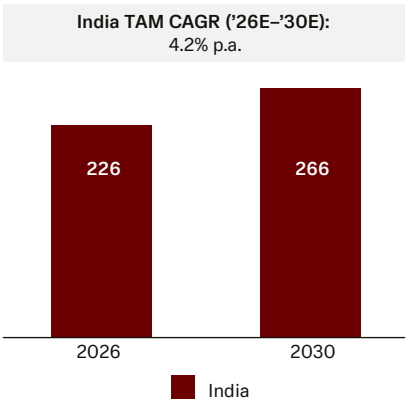


VA TAM by geography, (BSEK)[3)]









1) The Market Insight.
2) The Market Insight.
3) The Market Insight.



Global megatrends[1)]

Seven key global megatrends are expected to shape the future of the automotive bearing industry.

- *EV transition*: Vehicle electrification and the shift to EVs are set to reduce the number of bearings per vehicle unit while increasing their technical complexity, for example through insulated, high-speed and low-friction designs. This is expected to underpin higher bearing prices and offset the decline in ICE-related products, contributing to the overall growth in the automotive bearing market.
- *OEM sourcing preferences*: OEMs' increasing preference for lower-cost alternatives is opening the competitive landscape to lower-cost Asian manufacturers. In turn, this is increasing competition and forcing established bearing suppliers to match cost competitiveness while sustaining innovation-driven programmes.
- *Autonomous driving and software-defined vehicles*: The rapid evolution of electrified, software-defined vehicles and advanced autonomous driving functions is driving higher requirements for durability, reliability, functional safety and system redundancy across vehicle platforms. At the same time, X-by-wire technologies are progressively replacing traditional mechanical and hydraulic linkages with electronically controlled systems. These architectures are becoming a key enabler of next-generation EV platforms, particularly in braking and steering applications, as they reduce mechanical complexity, optimise packaging, lower vehicle weight and enable tighter integration between software, controls and vehicle dynamics. These trends increase the technical and innovation requirements for bearings in steering and braking actuation, and are expected to favour higher-specification and higher-value solutions.
- *Tariffs & geopolitical uncertainty*: Tariffs, military conflicts and general uncertainty are reshaping supply chains and are pushing automakers to reconsider component sourcing.
- *Digitalisation of aftermarket channels and interfaces*: Digitalisation is shifting parts identification, technical information as well as ordering and fulfilment towards integrated digital platforms and online interfaces. This increases reach and speed, making catalogue visibility and completeness decisive in supplier selection, with high-quality product data, fitment accuracy and repair information emerging as key differentiators for aftermarket suppliers.
- *Ageing and growing vehicle parc*: A growing and ageing global vehicle parc[2)] drives recurring demand for maintenance, repair and replacement solutions. The global PV parc, excluding Russia, is expected to grow at a CAGR of 1.5 per cent between 2026 and 2030, and the average age of PVs in the European Union is expected to increase from 11.5 years in 2024 to 12.4 years in 2030. As vehicles age and residual values decline, customers increasingly require fit-for-purpose solutions at different price points to keep repairs affordable and accessible throughout the vehicle lifecycle.
- *Increasing repair complexity and workshop support needs*: More complex vehicles, broader technology diversity and pressure on workshop productivity increase the need for complete repair solutions, including training, special tools, repair and maintenance information as well as digital tutorials.

Moreover, the automotive industry is expected to continue its sustainability and decarbonisation transformation, driven by increasing regulation and policy development in, for example, carbon dioxide emissions standards and carbon pricing. Further actions are expected in three key areas: electrification and use of

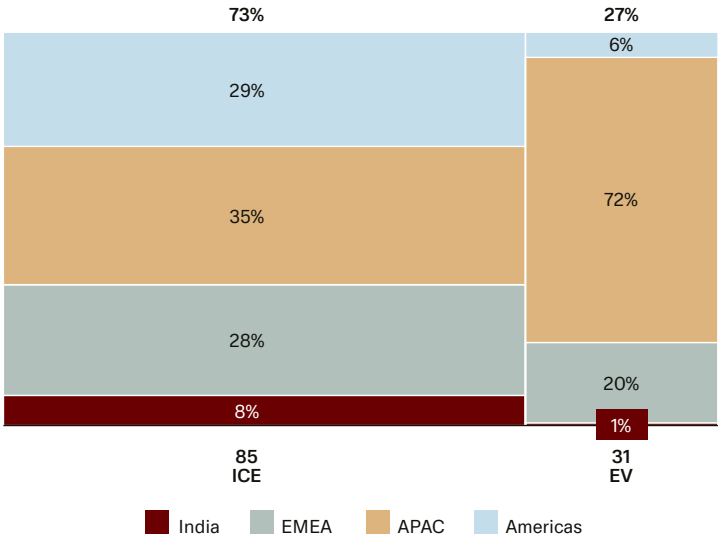
1) The Market Insight and SKF Vertevo's assessment.
2) Arval Mobility Observatory. Fleet and Mobility Barometer 2026 – Global Report, April 2026.

fossil-free energy, including the shift to EVs; energy efficiency, including reduction of friction and energy losses in components and systems; and circularity and material efficiency, including component and vehicle production, use, reuse and recycling.

Overview of the OE passenger vehicle bearing market[1]
Global PV production volume in 2026 is estimated at 90 million units. Technical requirements across this base vary widely, from high-volume daily-use vehicles to high-performance applications.

In total, this represents an OE PV bearing TAM of roughly BSEK 116, equivalent to 81 per cent of the total OE bearing TAM, and is expected to grow at an annual rate of 1.6 per cent between 2026 and 2030. APAC constitutes the single largest regional market at BSEK 53, representing 45 per cent of the OE PV bearing TAM, but growing the slowest at a CAGR of 0.3 per cent. This slow growth in APAC reflects the transition from ICE to EV production, with ICE production expected to decline by approximately 7 million units and EV production to increase by approximately 8 million units by

OE PV bearing TAM breakdown by geography and powertrain, 2026E (BSEK)[2]

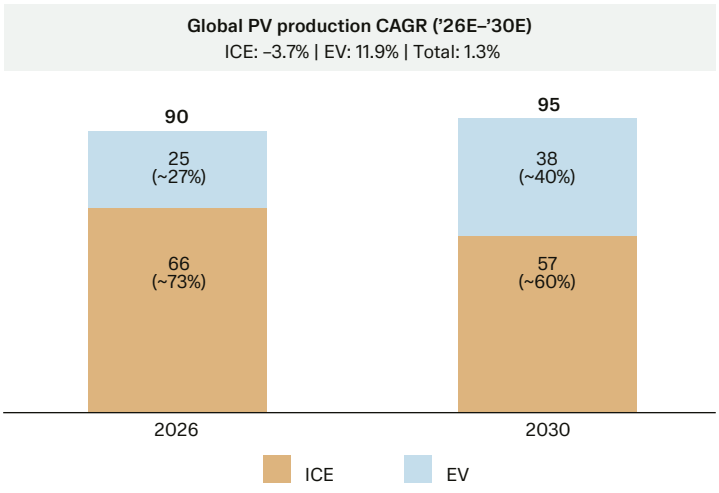


	Total BSEK	CAGR '26E–'30E
Americas	27 (23%)	3.1%
APAC	53 (45%)	0.3%
EMEA	30 (26%)	2.0%
India	7 (6%)	3.9%
Total	**116**	**1.6%**

2030. The net effect in APAC is broadly flat vehicle production between 2026 and 2030 relative to the other geographic regions. By contrast, India is forecast to be the fastest-growing region over the coming years, with the OE PV bearing TAM expected to grow at 3.9 per cent per year.

The PV market is undergoing a shift away from ICE vehicles to EVs, with EV production volumes estimated to grow at a CAGR of 11.9 per cent through 2030. The transition is expected to lift the EV share of global PV production from 27 per cent to 40 per cent by 2030. In APAC, EVs are forecast to represent 56 per cent of PV production volume by 2030, with the region expected to account for the largest absolute increase in EV production volume. India, in turn, is projected to record the highest percentage growth, with a CAGR of 33.8 per cent annually over the same period, albeit from a lower base. EMEA and the Americas are also expected to see EVs account for a growing share of production, although ICE vehicles are expected to still represent the majority of PVs produced in 2030. The ongoing electrification of the PV fleet is expected to alter the structure of bearing demand, as bearings for EVs command premium pricing on account of their more stringent technical requirements. While the number of bearings per vehicle is expected to fall as EVs gain market share, this decline primarily affects plain bearings, or sliding bearings. Overall, electrification is therefore expected to support growth in the OE PV bearing market over the coming years.

PV production volume by powertrain (million units)[3]



1) The Market Insight and SKF Vertevo's assessment.
2) The Market Insight.
3) The Market Insight.

The high-performance vehicle market

Within the PV segment, motorsport and high-performance vehicle applications represent a niche within the Group's bearing TAM. Within the high-performance vehicle segment, SKF Vertevo has long-standing technical relationships, including with Scuderia Ferrari since 1947 and mainly targets vehicles used in Formula 1 and National Association for Stock Car Auto Racing (NASCAR). In addition, SKF Vertevo supports Ducati Corse's MotoGP racing team as a technical partner, supplying a wide range of high-demand bearings. Engagements in this segment are typically structured as technical partnerships rather than transactional product sales, involving co-development of customised, application-specific solutions rather than catalogue supply. The commercial focus in this segment is on performance attributes such as reduced friction, higher rotational speed capability, weight reduction, and durability under extreme load, rather than price or volume.

Trends impacting the OE PV bearing market

The following trends are expected to impact the OE PV bearing market:

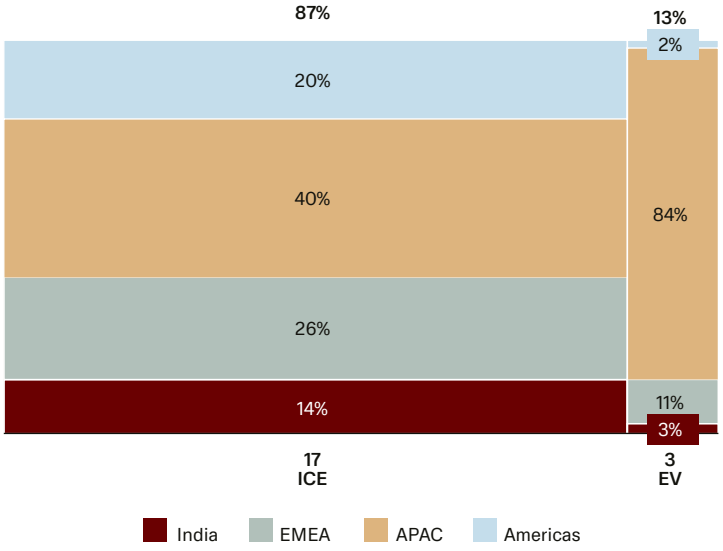
- India is anticipated to be the fastest growing market through to 2030. Free trade agreements and limited geopolitical friction make it an attractive alternative to other regions.
- The electrification of PVs is reshaping bearing demand, as EV bearings command a price premium owing to their more stringent specifications. This value shift is set to accelerate further with next-generation EVs, which require bearings with even higher performance across durability, Noise, Vibration and Harshness ("**NVH**"), insulation and conductivity. Separately, although the total number of bearings per vehicle is set to decline as EV adoption widens, this is expected to be more than offset by rising per-unit values. Overall electrification is therefore expected to support growth in the OE PV bearing market over the coming years.
- There is a structural trend in favour of Sport Utility Vehicles ("**SUVs**"), which together with the rest of the high-end PV segment require more demanding specifications. As specifications rise and move towards more advanced bearings, the average bearing prices increase and underpin expansions in the OE PV bearing market.
- X-by-wire, the electronic control system replacing traditional mechanical or hydraulic linkages, is becoming a core enabler of software-defined EV platforms, especially in braking as well as steering and suspension, by reducing mechanical complexity and improving space consumption, weight and control integration. While China is likely to lead near-term adoption, the transition is global. The most immediate value pools are brake-by-wire, followed by steering and rear-wheel steering, whose electro-mechanical actuators add ball-screw and precision bearing content per vehicle.



Overview of the OE commercial vehicle bearing market[1]

The global OE CV bearing market represents a further area of focus for SKF Vertevo. Worldwide CV production volume is estimated at 3.6 million units in 2026 and is closely correlated with regional economic activity. This corresponds to an OE CV bearing TAM of roughly BSEK 20, equivalent to 14 per cent of the overall OE bearing TAM. Growth is expected to be steady, with the OE CV bearing TAM projected to grow at a CAGR of 1.3 per cent from 2026 to 2030. Within OE CV bearings, APAC stands out as the largest market with a TAM of BSEK 9, representing 45 per cent of the OE CV bearing TAM in 2026. The Americas and EMEA are the fastest growing markets, projected to expand at a CAGR of 2.8 per cent until 2030, driven partly by a move to EVs. Notably, India is the smallest market at a TAM of BSEK 2 representing 13 per cent of the OE CV bearing TAM and is expected to decline at a negative CAGR of 0.9 per cent until 2030. This trajectory reflects a normalisation of production following elevated post-COVID demand.

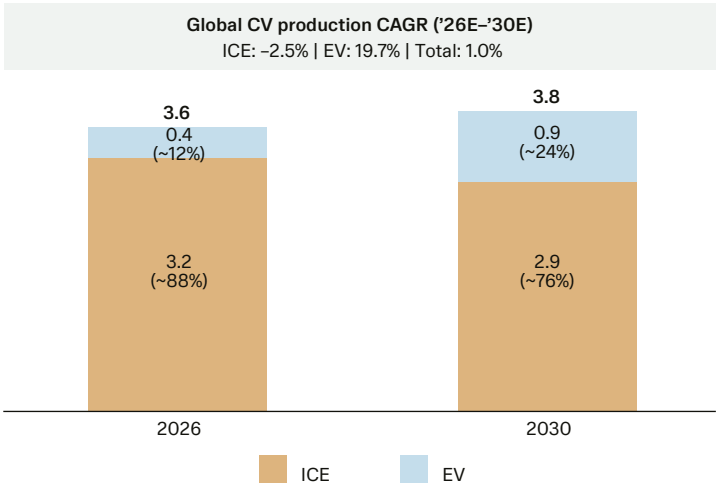
OE CV bearing TAM breakdown by geography and powertrain, 2026E (BSEK)[2]



	Total BSEK	CAGR '26E–'30E
Americas	3 (18%)	2.8%
APAC	9 (45%)	0.4%
EMEA	5 (24%)	2.8%
India	2 (13%)	–0.9%
Total	**20**	**1.3%**

The OE CV bearing market is also being shaped by the broader move towards electrification. While ICE platforms still account for most production volume, future growth is expected to be predominantly EV-driven. In 2026, EVs are projected to represent a 12 per cent share of the CV production volume at 0.4 million units, growing at an estimated CAGR of 19.7 per cent to 0.9 million units, representing a share of 24 per cent by 2030. This growth is expected to be led by light CVs and light-duty trucks, whose shorter-range requirements align well with current battery technology. Heavy-duty applications are expected to follow, though on a longer timeline given their higher energy and charging infrastructure needs. As a result, the CV market, although growing strongly, trails PVs. APAC is expected to remain the leader for EVs, accounting for 55 per cent of the volumes in 2026, mainly due to technological capacity and favourable regulations.

CV production volume by powertrain (million units)[3]



Trends impacting the OE CV bearing market

The following trends are expected to affect the OE CV bearing market:

- CV production is expected to grow fastest in the Americas and EMEA, driven by changing regulations and increased replacement demand stemming from an ageing vehicle fleet. In addition, high demand for CV transportation coupled with a long-deferred fleet replacement needs is driving investments in new, more modern and fuel-efficient CV fleets.

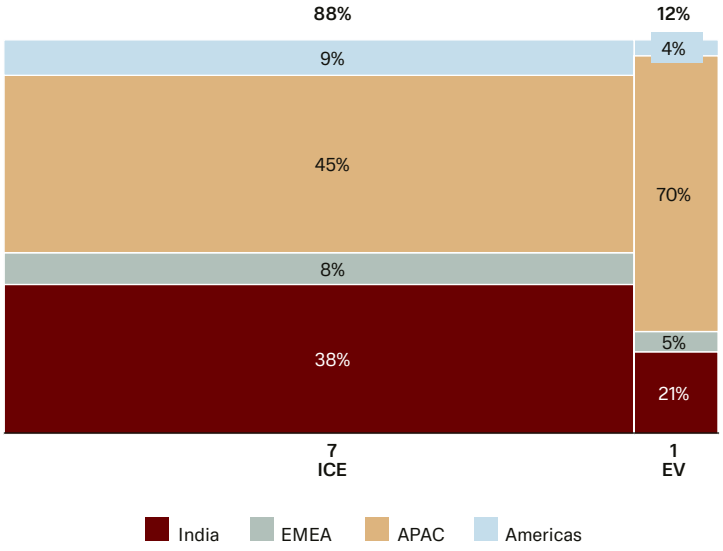
1) The Market Insight and SKF Vertevo's assessment.
2) The Market Insight.
3) The Market Insight.

- Electrification is expected to be led by light CVs and light-duty trucks, whose shorter-range requirements align well with current battery technology. In particular, EV production of last-mile delivery vehicles (vehicles used for the final stage of delivery to end customers) is estimated to grow at a CAGR of 25.3 per cent between 2026 and 2030, driven by the growth of e-commerce and on-demand delivery and regulations on urban delivery fleets. Heavy-duty applications are expected to follow, though on a longer timeline given their higher energy and charging infrastructure needs. Demand for medium- and heavy-duty EVs is expected to be driven by advances in battery capacity and fast-charging technology, diesel price volatility and accelerating heavy-duty electrification in Europe, supported by EU CO_2 emission standards for heavy-duty vehicles. China has led early adoption in heavy-duty applications, with other regions expected to follow over a longer horizon.
- Heavy-duty applications and increased axle loads are raising durability and performance requirements, favouring high specification bearing solutions supporting favourable total cost of ownership.

Overview of the OE two-/three-wheeler bearing market[1]

With global two-/three-wheeler production volume estimated at 65.8 million units in 2026, the market represents an OE two-/three-wheeler bearing TAM of around BSEK 8 and accounts for 6 per cent of the total OE bearing TAM. The OE two-/three-wheeler bearing TAM is set to grow at a CAGR of 3.8 per cent between 2026 and 2030, outpacing all other OE categories. APAC and India serve as critical production anchors, collectively contributing 88 per cent of global volume output in 2026, bolstered by substantial domestic demand. APAC is the largest market at a TAM of BSEK 4, representing 48 per cent of the OE two-/three-wheeler bearing TAM, with an expected continued growth at a CAGR of 2 per cent through 2030. India, by comparison, accounts for a slightly smaller TAM of BSEK 3, representing a 36 per cent share of the OE two-/three-wheeler bearing TAM. However, India is projected to grow considerably faster at a CAGR of 6.3 per cent until 2030. Growth in India is driven by favourable economic and industrial conditions, with increasing production capabilities, population growth, rising disposable incomes and accelerating urbanisation, collectively supporting high-volume and cost-efficient mobility.

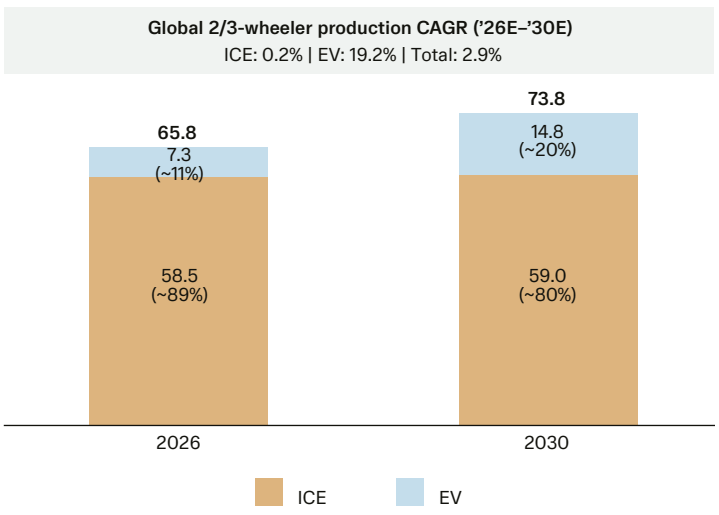
OE two-/three-wheeler bearing TAM breakdown by geography and powertrain, 2026E (BSEK)[2]



	Total BSEK	CAGR '26E–'30E
Americas	1 (8%)	3.3%
APAC	4 (48%)	2.1%
EMEA	1 (8%)	3.0%
India	3 (36%)	6.3%
Total	**8**	**3.8%**

The electrification trend reshaping other OE categories is also evident in the market for two-/three-wheelers. Globally, the EV share of two-/three-wheeler production volume is expected to nearly double from 11 per cent in 2026 to 20 per cent by 2030, representing a CAGR of 19.2 per cent. In absolute terms, the growth is concentrated in India and APAC. EV production volume in India is expected to grow at a CAGR of 39.2 per cent through 2030, from a base of around 1.7 million vehicles in 2026. APAC is expected to grow more slowly at a CAGR of 9.1 per cent until 2030, on a larger base of around 5.1 million units. Together these two markets are expected to account for over 93 per cent of the global EV production volume for two-/three-wheeler bearings in 2030, supported by government incentives for clean mobility.

Two-/three-wheeler production volume by powertrain (million units)[3]



1) The Market Insight and SKF Vertevo's assessment.
2) The Market Insight.
3) The Market Insight.

Trends impacting the OE two-/three-wheeler bearing market
The following trends are expected to drive development in the OE two-/three-wheeler bearing market:

- India is expected to be the primary driver of growth in the two-/three-wheeler market, supported by its position as a major global production hub with expanding manufacturing capabilities. Structural tailwinds, including population growth, rising disposable incomes, and accelerating urbanisation, are expected to further stimulate vehicle ownership and fleet expansion.
- While ICE powertrains are expected to retain their dominant position in the near term, electrification in the two-/three-wheeler segment is gaining momentum, underpinned by government incentive schemes supporting clean mobility adoption across India and APAC.

Overview of the Vehicle Aftermarket[1)]

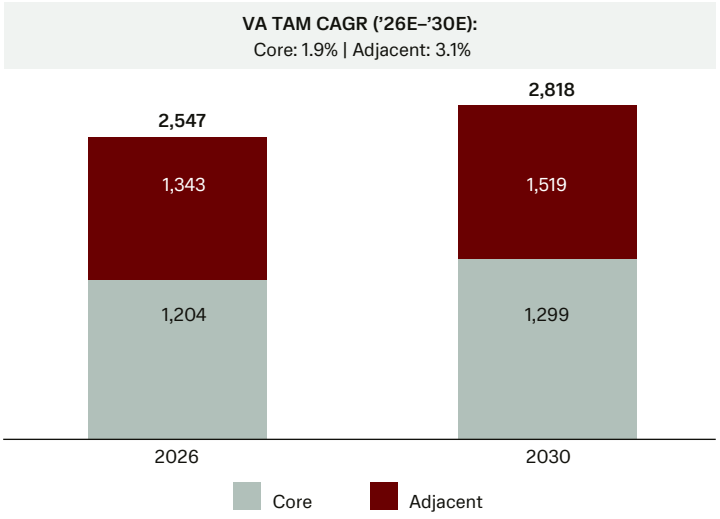
Core markets
SKF Vertevo further operates in the global VA, serving recurring demand for maintenance, repair and replacement solutions throughout the vehicle lifecycle. The Group participates in the VA not only as a supplier of replacement parts, but as a provider of integrated repair solutions. Its offering combines OE-derived repair and replacement solutions with technical training, dedicated repair tools, repair information, digital tutorials and application know-how. Its core VA categories, including bearings, wheel-end bearings, seals, powertrains and drivelines are set to correspond to an overall estimated TAM of BSEK 1,204 in 2026. The TAM is expected to reach BSEK 1,299 by 2030, corresponding to a CAGR of 1.9 per cent over the period.

Demand is driven by the size, age and utilisation of the vehicle parc, rather than new-vehicle production alone, creating recurring need for maintenance, repair and replacement solutions throughout the vehicle lifecycle. Effective product lifecycle management is critical to retain market relevance over the full vehicle lifetime and to avoid ceding mature vehicle categories to lower-cost competitors. As vehicles age and residual values decline, customers increasingly require fit-for-purpose repair and replacement solutions at different price points to keep maintenance affordable and accessible.

Adjacent markets
Brakes as well as steering and suspension are natural VA adjacencies for SKF Vertevo. These areas and customers are typically addressed during the same repair events that SKF Vertevo already serves, allowing the Group to leverage existing relationships, channels, catalogues, support and fulfilment. Thereby, these adjacent categories are expected to provide additional growth opportunities by broadening SKF Vertevo's offering to VA workshops and enhancing its relevance as a premium supplier. These adjacent categories are projected to collectively represent a TAM of approximately BSEK 1,343 in 2026, growing to BSEK 1,519 in 2030 at a CAGR of 3.1 per cent.

India stands out as a growth opportunity within the overall VA. The overall VA TAM of the Indian market is projected to expand from BSEK 226 in 2026 to BSEK 266 by 2030 at a CAGR of 4.2 per cent. A growing and increasingly motorised population is expanding the vehicle parc, providing a shared foundation for aftermarket demand. The Indian PV parc is among the oldest in any major market, with over 70 per cent of vehicles currently more than eight years old, generating sustained and recurring demand for replacement parts and maintenance. Further, Indian CV aftermarket volumes are supported by strong macroeconomic growth and the continued expansion of e-commerce-driven logistics. Within the Indian two-/three-wheeler segment volume growth is accompanied by a shift towards higher-value components and more frequent servicing, reflecting rising commercial usage and the higher maintenance intensity it brings.

VA core and adjacent market TAM by category (BSEK)[2)]



Trends impacting the Vehicle Aftermarket
The following trends are expected to impact the VA market:

- Ageing vehicle fleets[3)] continue to drive recurring demand for maintenance, repair and replacement solutions. As vehicle residual values decline over time, fit-for-purpose repair and replacement solutions at different price points become increasingly important to maintain affordability throughout the vehicle's lifecycle and support vehicle retention.
- Parts identification, technical information, diagnostics, ordering and fulfilment are increasingly conducted through digital platforms, e-commerce marketplaces and integrated e-procurement interfaces. As a result, catalogue visibility and completeness become decisive in supplier selection, with product data quality, fitment accuracy, digital catalogue management, real-time availability information and seamless customer interfaces emerging as key competitive differentiators.
- Increasing adoption of digital planning tools, predictive analytics and automated replenishment solutions is improving demand forecasting and inventory management across the VA value chain. Customers increasingly value suppliers that can provide high service levels, supply chain visibility, and efficient fulfilment while supporting inventory optimisation.

1) The Market Insight and SKF Vertevo's assessment.
2) The Market Insight.
3) Arval Mobility Observatory. Fleet and Mobility Barometer 2026 – Global Report, April 2026.



- Increasing vehicle complexity, including advanced electronics, software-enabled systems and electrified powertrains, combined with ongoing technician shortages, continues to increase demand for comprehensive repair solutions. Workshops increasingly seek partners that provide not only replacement parts, but also technical training, special tools, repair instructions, diagnostics support and digital learning content to improve repair efficiency and productivity.
- Growth in the EV parc is creating demand for EV-specific maintenance and repair solutions, while many drivetrain-independent product categories remain relevant across all powertrain technologies. The coexistence of internal combustion, hybrid and electric vehicles is expected to support broad and diverse aftermarket demand for the foreseeable future.
- Increasing focus on sustainability, resource efficiency and total cost of ownership is encouraging consumers and fleet operators to extend vehicle lifespans through maintenance and repair rather than replacement. This trend supports long-term demand for high-quality replacement parts and repair solutions.
- CV parc growth, particularly in APAC and other high-utilisation markets, continues to support demand for maintenance and repair solutions. Higher vehicle utilisation rates generally increase wear-related replacement demand and reinforce the importance of product availability and service support.

Competitive landscape[1)]

SKF Vertevo operates globally in the automotive bearing market as a focused, transforming, pure-play automotive business specialising in bearings, adjacent products and related services. In the OE bearing market, SKF Vertevo seeks to differentiate itself through its capabilities in innovation, quality, engineering support and sustainability, with applications spanning from two-/three-wheelers to high-performance vehicles. In VA, SKF Vertevo operates a resilient and diversified global business, supported by a well-established premium brand, a broad portfolio of repair and replacement solutions, strong technical know-how, repair-support capabilities, high-quality digital data, lifecycle portfolio management and high service levels. The Group participates in the VA, not only as a supplier of replacement parts, but as a provider of integrated repair solutions. Its offering combines OE-derived repair and replacement solutions with technical training, dedicated repair tools, repair information, digital tutorials and application know-how, helping distributors and workshops carry out repairs throughout the vehicle lifecycle. Together with OE-derived engineering expertise, SKF Vertevo believes that this strengthens customer trust and reinforces SKF Vertevo's position as a premium supplier.

The competitive dynamics of the automotive bearing market differ between the OE and VA markets. In OE, competition is driven by cost competitiveness, quality, engineering excellence, innovation, product range, speed, resilience and sustainability. By comparison, availability, fitment accuracy and dependable fulfilment are the fundamental requirements, with breadth of range, price point, service level and brand strength being further drivers of demand in VA.

1) The Market Insight and SKF Vertevo's assessment.

OE engineering and platform nominations create an installed base of vehicles fitted with the nominated components, as well as application knowledge and credibility. Those components are replaced over the vehicle lifecycle, supporting recurring VA demand. Furthermore, field data and repair experience from the VA feed back into product development, quality improvements and lifecycle management for future OE and VA solutions. Suppliers that combine OE engineering depth with VA reach therefore hold a structural advantage that pure OE suppliers and pure VA players each lack.

The competitive landscape can broadly be divided into three different groups:

- *Global majors*: Comprises large, established multinational bearing manufacturers with broad, full-line product portfolios, extensive engineering resources as well as worldwide manufacturing and distribution capabilities. The premium segment of the automotive bearing market is primarily served by the global majors. They command deeply established market positions across major regions, the primary exception being China where the presence of local bearing manufacturers creates a more fragmented competitive landscape. In the OE bearing market specifically, the positions of the global majors are underpinned by long-standing customer relationships and significant engineering resources, exemplified by early involvement in vehicle development. Furthermore, in the most technically demanding OE CV wheel-end segments, in particular unitised solutions[1], only a limited number of suppliers are currently qualified to meet OEM requirements, particularly in EMEA, where unitised designs are the dominant solution. In VA, global majors compete on brand strength, breadth of product range and OEM-aligned product quality, which are reinforced by proprietary service ecosystems that drive independent garage loyalty.
- *Scale challengers*: Comprises primarily Asian bearing manufacturers with domestic manufacturing capacity who are actively seeking qualifications with international OEMs and investing in distribution infrastructure to support broader geographic reach. Furthermore, scale challengers compete primarily on price, rather than brand heritage and engineering resources, to win market shares, but typically provide a complete product offering to OEMs. Scale challengers are generally not full-service engineering companies and instead reverse engineer the solutions developed by global majors for mass production.
- *Emerging brands*: Comprises smaller and more regionally focused bearing manufacturers. They typically lack the full-line portfolio breadth, established quality credentials, engineering resources and global distribution infrastructure of the larger groups and concentrate instead on specific product categories or customer segments. In the OE bearing market, this group seeks to build scale progressively through focused product wins, customer endorsements and offshore capacity build-out. Based on recent sourcing events, this group is estimated to offer pricing at a further discount compared to both the global majors and the scale challengers. In VA, emerging brands similarly concentrate on specific product categories or regional markets rather than pursuing broad coverage, competing primarily on cost as they have limited service levels and brand strength.

Regulatory landscape

Trade policy and geopolitical dynamics[2]

Trade policy and geopolitical dynamics are reshaping global supply chains and the component sourcing strategies of automotive manufacturers. Tariffs, alongside a broader set of policy and regulatory instruments, occupy a central role in this environment, with regimes differing across regions. The European Union maintains a comparatively stable tariff regime, with a common external simple-average most-favoured-nation (“**MFN**”) tariff of approximately 5 per cent on imports from non-European Union countries. In recent years, the European Union has introduced targeted level-playing-field instruments, including the Carbon Border Adjustment Mechanism (“**CBAM**”), on third-country imports to ensure competitive parity with less-regulated foreign competitors.

India’s customs duties on industrial and automotive components average approximately 16 per cent, placing India among the major economies with the highest tariffs and reflecting a policy of supporting domestic manufacturing. However, in January 2026 the European Union and India concluded negotiations on a free trade agreement under which most tariffs on car parts are to be removed over a period of five to ten years. The agreement has not entered into force and remains subject to approval by both parties. China’s regime differs in structure, with standard MFN tariffs averaging approximately 7.5 per cent and comparatively stable domestic duties. However, the outlook for Chinese trade flows remains uncertain, driven by heightened U.S.–China geopolitical tension and additional U.S. and European Union duties on goods of Chinese origin.

In the Americas, trade policy increasingly favours regional sourcing. The rules of origin and local-content requirements under the US–Mexico–Canada Agreement (“**USMCA**”), together with other trade measures, reinforce this pressure. During 2023–2024, Mexico applied tariffs of between 5 per cent and 50 per cent to more than 500 product groups originating from non-free trade agreement countries. Collectively, these measures have prompted vehicle manufacturers and their suppliers to relocate production and source components locally to satisfy USMCA content thresholds. In the near term, this realignment is expected to exert upward pressure on cost and, in certain instances, give rise to capacity constraints.

In the Americas, APAC and India, the trade policy and geopolitical dynamics are driving a structural shift towards a more “local-for-local” production, in which components are sourced increasingly within the markets where they are sold. EMEA follows a more mixed model, combining local supply with imports from lower-cost sourcing markets, primarily India and China. Furthermore, companies are increasingly focusing on geographic flexibility as a risk mitigator for geopolitical uncertainty. SKF Vertevo’s strategy of localised and flexible production across key markets positions it to satisfy local-content requirements and mitigate the cost and supply chain risks associated with this structural transition.

1) Unitised wheel-end solutions integrate bearings, seals, lubrication and preload into a pre-assembled module, enabling faster vehicle assembly and lower friction.
2) The Market Insight and SKF Vertevo’s assessment.

Carbon dioxide emission standards[1)]

The European Union's decarbonisation policy is a significant regulatory and structural driver of EV demand and, in turn, of the automotive bearing market. The European Union's carbon dioxide requirements are the most stringent imposed by any major economy globally.

Under the European Climate Law[2)], the European Union is committed to reducing net greenhouse gas (**"GHG"**) emissions by at least 55 per cent by 2030 relative to 1990 levels, on a pathway to climate neutrality by 2050. For road transport, binding fleet-wide carbon dioxide targets require reductions of 55 per cent for new cars and 50 per cent for new light commercial vehicles by 2030 relative to 2021 levels. A further 100 per cent reduction is required by 2035, mandating zero-emission new car and light commercial vehicle sales from that date.[3), 4)] Heavy-duty vehicle standards tighten further on a trajectory towards 2040.[5)]

These measures are complemented by carbon pricing on industrial activity. The European Union Emissions Trading System[6)] requires a reduction of direct GHG emissions by 62 per cent by 2030 relative to 2005 levels, incentivising reductions in fossil-fuel use at manufacturing sites. In addition, a separate emissions trading system for buildings, road transport and fuels, will apply from 2027 and extend carbon pricing to these sectors. The CBAM reinforces this framework by applying a carbon cost to certain carbon-intensive imports, ensuring competitive parity with producers subject to less demanding regulatory requirements.

Collectively, these regulations are driving the sustainability transformation of the automotive industry, including transition to EVs and increasing demand for applications associated with electrified powertrains. SKF Vertevo's established portfolio of solutions for EVs positions it to capture the incremental demand arising from this regulatory-driven transition.

EV incentives

Beyond the European Union's decarbonisation policy, governments worldwide deploy a range of fiscal levers to incentivise EV adoption, though at varying levels of consumer support. The principal instruments are direct cash subsidies, value-added and registration tax exemptions, ownership-tax reductions and "bonus-malus" schemes that fund low-emission incentives through charges on high-emission vehicles.[7)]

In China, the world's largest EV market, the primary instrument has been a purchase tax exemption for new energy vehicles, reduced from a full exemption to a 50 per cent reduction in 2026. This is complemented by a trade-in scheme offering a price-linked subsidy for replacing older vehicles.[8)] In some markets, including India, incentives are conditional on local production, reinforcing the localisation pressures evident across the regulatory environment.[9)]

Several jurisdictions have also adopted ICE phase-out policies, most notably the European Union's requirement for zero-emission new car and light commercial vehicle sales from 2035. While incentives have been scaled back in some markets recently, EV adoption has remained resilient. Global EV sales penetration of PVs currently stands at 27 per cent and is projected to reach 40 per cent by 2030. China represents the largest and most developed market, with penetration advancing from approximately 45 per cent in 2026 to 64 per cent in 2030.[10)]

BUSINESS OVERVIEW

SKF Vertevo is a global provider of customised automotive bearings and related products and solutions for PVs, including high-performance applications, as well as CVs, two-/three-wheelers and VA, with a global diversified customer base and a broad operational footprint spanning research and development (**"R&D"**), manufacturing, logistics and commercial presence. Based on close and long-standing customer relationships, SKF Vertevo supports mobility applications, where durability, precision, efficiency, noise and vibration performance and lifecycle reliability are critical. The Group combines more than a century of bearing engineering heritage with a premium brand, application know-how, R&D capabilities spanning design, prototyping, testing and validation, high product quality and sustainability focus and a broad aftermarket distribution platform.

Bearings reduce friction and support rotational motion and are therefore critical components for the durability, efficiency and performance of automotive systems. SKF Vertevo focuses on performance-critical applications where quality and durability are paramount, enabling reliable and more sustainable mobility for customers that require speed, innovation and attentiveness throughout the mobility lifecycle. The Group supplies products and related solutions that support wheel-end, powertrain and drive-control applications, as well as repair and replacement needs across the vehicle lifecycle.

In OE, SKF Vertevo serves global and regional OEMs and automotive Tier-1 suppliers. The Group is a supplier to all of the world's top 20 EV OEMs, by estimated EV production volume in 2026,[11)] and a main supplier to major CV OEMs. SKF Vertevo offers an extensive portfolio built around wheel-end, powertrain and drive control products. In PV and CV applications, wheel-end products enable the rotation of the wheel and the integrity of the wheel-end system over the life of the vehicle. Powertrain products are used in transmissions, engines, electric drive units composed of an electric motor and gearbox and driveline applications. Drive control products support vehicle control, steering feel, comfort, chassis durability and serviceability in applications exposed to road loads, vibration, contamination, temperature variation and repeated movement. Building on this portfolio, SKF Vertevo focuses its

1) The Market Insight and SKF Vertevo's assessment.
2) Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality (European Climate Law).
3) Regulation (EU) 2019/631 setting CO_2 emission performance standards for new passenger cars and for new light commercial vehicles.
4) This reflects the current legal framework. A European Commission proposal of 16 December 2025 (COM(2025) 995 final) would lower the 2035 target to 90 per cent, reduce the 2030 light commercial vehicle target from 50 to 40 per cent and introduce new flexibilities (including credits for renewable fuels and EU-produced low-carbon steel). The proposal has not yet been adopted.
5) Regulation (EU) 2019/1242 setting CO_2 emission performance standards for new heavy-duty vehicles.
6) Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union (EU ETS Directive).
7) International Council on Clean Transportation (ICCT). Europe's Electric Vehicle Market Leaders: Denmark, Sweden, and Finland, August 2025.
8) International Energy Agency (IEA). Global EV Outlook 2026, May 2026.
9) The Market Insight and SKF Vertevo's assessment.
10) The Market Insight and SKF Vertevo's assessment.
11) SKF Vertevo's assessment, based on S&P Global. Light Vehicle Production Forecast, Online database, June 2026.

innovation on the more demanding requirements of EV and CV applications, including e-powertrain bearings, electric current management and high-speed solutions.

In VA, SKF Vertevo serves distributors, buying groups, retailers, workshops, fleet operators and digital marketplaces in the independent aftermarket as well as OEMs for their own aftersales channels (OES). SKF Vertevo supplies the VA with a wide range of spare parts, both directly and through a network of more than 9,000 VA customers. In total, the Group offers more than 50,000 SKUs, providing complete repair solutions across a wide variety of automotive makers and models. The offering combines OE-derived repair and replacement solutions with technical training, dedicated repair tools, repair information, digital tutorials and application know-how. SKF Vertevo estimates, based on an analysis of external sales data and interviews with aftermarket distributors across Europe, that the Group's VA portfolio addresses a significant portion of the product and solution requirements of a typical European workshop.

SKF Vertevo's VA business provides exposure to recurring maintenance, repair and replacement demand across a large global vehicle parc, while also being accretive to the Group's overall margins. VA accounted for 37 per cent of the Group's net sales for the nine-month period ended 30 September 2026. According to SKF's internal management reporting for its automotive operations, SKF Vertevo's VA external net sales have grown at a CAGR of 5.4 per cent between 2021 and 2025. Overall, the combination of recurring replacement demand, broad vehicle parc exposure and relevance across combustion, hybrid and electric vehicles provides a business profile that complements the OE business and can contribute to earnings resilience across market cycles.

Headquartered in Gothenburg, Sweden, SKF Vertevo operates ten technical centres, 16 manufacturing facilities and a global distribution network including nine kitting centres, 52 warehouses and 31 remote local stock locations in multiple geographic regions and has a global workforce of 7,435 employees as of 30 September 2026.

Following completion of the spin-off, SKF Vertevo operates as an independent automotive-focused company with dedicated leadership, standalone governance and a capital allocation framework tailored to automotive market dynamics. SKF Vertevo and SKF will maintain selected commercial and operational relationships after the spin-off, including contract manufacturing agreements and related separation arrangements intended to support operational continuity. For details on SKF Vertevo's arrangements with SKF Group, see "*Shareholder information and legal matters–Material agreements*".

The SKF Vertevo brand combines continuity and transformation. The name SKF Vertevo combines "vertere", Latin for "to turn" or "to transform", and "evo", short for evolution. Retaining SKF in the name provides continuity and is intended to support customer trust and brand recognition, while Vertevo signals an automotive-focused evolution. The combination reflects both the Group's heritage in engineering, quality and innovation and its transition to an independent company with a dedicated automotive focus.



HISTORY

SKF Vertevo traces its origins to the founding of SKF in Gothenburg, Sweden, in 1907 and to more than a century of bearing engineering, application know-how and customer collaboration. SKF was founded following the invention of the self-aligning ball bearing by Sven Wingquist, a solution designed to reduce friction and address misalignment in rotating machinery. From this foundation, SKF developed expertise in bearing design, materials, tribology, lubrication, sealing, manufacturing and application engineering that today underpins SKF Vertevo's automotive offering.

The Group's automotive roots were established through early vehicle applications and the development of long-term relationships with vehicle manufacturers. SKF's role in the emerging mobility industry included the creation of Volvo in the 1920s; Volvo's first car rolled out in 1927 using SKF bearings and SKF subsequently divested Volvo in 1935. This period marked the beginning of SKF's role as a specialist bearing supplier to the automotive industry rather than as a vehicle manufacturer.

SKF's long-standing presence in demanding high-performance applications has also shaped SKF Vertevo's business. High-performance applications, in demanding environments such as Formula 1, provide a proving ground for bearing design, materials, thermal performance, precision and reliability, and support credibility in applications where failure tolerance is low and validation requirements are high.

The development of wheel-end and hub solutions became an important part of the automotive business. In 1936, SKF pioneered wheel-end hub technology and during the late 1960s and 1970s, hub units scaled into industrial automotive applications, improving efficiency, reliability and assembly performance for vehicle manufacturers. This evolution continued in 1977 with the introduction of the first third-generation hub bearing unit, or HBU3, marking a further step in integrated, pre-assembled wheel-end solutions.

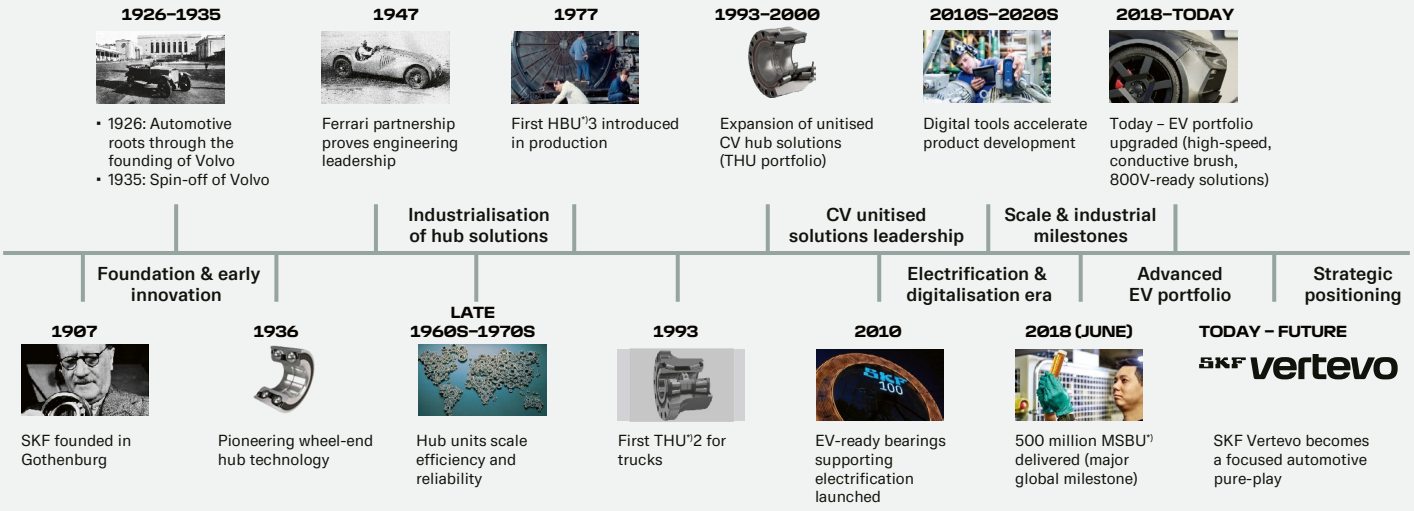
In 1993, SKF introduced the first second-generation truck hub unit, or THU2, extending its unitised hub technology to CVs and supporting simpler assembly, durability and serviceability. During the 1990s, the THU portfolio expanded further to support unitised CV hub solutions.

The 2010s marked the beginning of a more pronounced electrification and digitalisation era. EV-ready bearings supporting electrification were launched in 2010, and digital tools increasingly supported product development, simulation, testing and customer engineering. In June 2018, SKF delivered its 500 millionth Mass Serialised Bearing Unit, or MSBU, marking an important scale milestone in traceable, data-supported bearing-unit production and since 2018, SKF has continued to upgrade its EV portfolio with high-speed, conductive-brush and 800V-ready solutions to support the performance requirements of next-generation electric-vehicle architectures.

During 2020 and 2021, SKF raised the sustainability and climate ambition level through the commitments to have decarbonised operations by 2030 (a 95 per cent reduction of GHG emissions that SKF controls directly (Scope 1), or indirectly from energy purchases (Scope 2), compared to 2019) and a net-zero value chain by 2050. These goals are also valid for SKF Vertevo as a standalone company.

In February 2022, SKF gave the automotive business a more independent operating model, increasing management focus and organisational clarity, and on 17 September 2024, SKF announced the decision to initiate the separation of the automotive business, with the objective of creating a focused company operating in the automotive industry with a distinct operating model and strategic agenda. In February 2026, SKF announced that the future name of the automotive business would be SKF Vertevo. As a focused, transforming, automotive pure-play, SKF Vertevo builds on this heritage while developing a standalone platform for growth, efficiency and speed.

History timeline



* HBU: Hub Bearing Unit, THU: Truck Hub Unit, MSBU: MacPherson Suspension Bearing Unit

PRODUCT PORTFOLIO

SKF Vertevo's offering is structured around four product categories: wheel-end products, powertrain products, drive control products and aftermarket products. The categories reflect how the Group brings bearing engineering, application know-how, manufacturing and lifecycle support to the main automotive systems in which friction, load, sealing, speed, durability and repairability are key performance requirements.

Original Equipment offering

Wheel-end products

Wheel-end products enable the rotation of the wheel and the integrity of the wheel-end system over the life of the vehicle. For PV applications, the category includes wheel hub units, wheel-end bearings, hub bearing kits, tapered and roller bearings and hub units for in-wheel motor applications. These products help manage radial and axial loads, reduce friction, support braking and wheel-speed sensing interfaces and contribute to safety, durability, fuel efficiency, EV range and low NVH performance. SKF Vertevo's offering covers multiple generations of hub bearing units, from more conventional bearing arrangements to integrated units combining bearing, hub, flange and sealing. SKF Vertevo has developed, and continue to develop, next-generation low-friction wheel-end solutions that further reduce frictional losses in the wheel end.

For CV applications, the wheel-end portfolio includes truck hub units, tapered roller bearing solutions and wheel-end seals designed for demanding duty cycles, high loads and uptime requirements. Unitised wheel-end solutions can reduce assembly complexity, support pre-adjustment and improve serviceability. SKF Vertevo differentiates its wheel-end offering through system-level engineering, materials and heat-treatment know-how, sealing and lubrication expertise, testing and validation capacity, and the ability to supply both OE platforms and VA repair and replacement channels.

Wheel-end products

Passenger Vehicle		Hub Bearing Unit 3 (HBU3)		Asymmetric HBU (HBU3 B/T)		Hub Bearing Unit 2 (HBU2 T)
Commercial Vehicle		Truck Hub Unit (THU1&2)		Truck Match Unit (TMU)		Tapered Roller Bearing (TRB)

Powertrain products

Powertrain products are used in transmissions, engines, electric drive units composed of an electric motor and gearbox and driveline applications. The category includes ball bearings, ceramic bearings, needle and roller bearings, universal joint bearings and conductive brushes. The function of these products is to support rotating shafts and gears, manage loads and speed, reduce friction and heat generation, withstand electric discharge and demanding temperature, harsh lubrication conditions and polluted environments in compact powertrain architectures.

Powertrain requirements are changing with electrification. EV and hybrid applications can involve higher rotational speeds, higher temperatures, increased sensitivity to NVH, and electrical-current management requirements. SKF Vertevo addresses these requirements through solutions such as eDrive ball bearings with high-speed capabilities, hybrid bearings with ceramic rolling elements, and conductive brush ring solutions designed to divert parasitic electrical currents away from bearings. The Group's offering is based on matching bearing geometry, materials, coatings, cage design, lubrication and sealing to specific customer applications, supported by validation and co-development with OEMs and automotive Tier-1 suppliers in order to obtain the optimal system performance of the vehicle.

Powertrain products

Special E-Drive Solution & Powertrain		Ceramic Deep Groove Ball Bearing		SKF Conductive Brush Ring		Universal Joint Bearings
		Deep Groove Ball Bearing (DGBB)		Tapered Roller Bearing (TRB)		Cylindrical Roller Bearing (CRB)

Drive control products

Drive control products comprise steering, suspension and chassis-related bearings, precision components as well as related repair and replacement solutions. These products support vehicle control, steering feel, comfort, chassis durability and serviceability in applications exposed to road loads, vibration, contamination, temperature variation and repeated movement. The category may include suspension bearings, strut and chassis-related components, steering-related bearings and repair kits, subject to final product taxonomy confirmation.

SKF Vertevo's drive control proposition is relevant to both OE and VA customers. In OE, components are validated as part of vehicle platform development and must meet customer specifications for durability, NVH, packaging, weight, cost and manufacturing process capability. In VA, the category supports workshops and distributors with complete repair kit solutions, fitment data and technical guidance. The category also provides a platform for selective VA adjacency growth where SKF Vertevo can leverage its brand, channel access, quality standards and technical credibility.

Drive control products

Steering & Suspension		MacPherson Strut Bearing Unit (MSBU)		Steering Column Bearing	 Spherical Plain Bearing

Aftermarket products

VA products provide recurring lifecycle support for vehicles after production and during operation. SKF Vertevo's offering includes about 50,000 SKUs. The core range covers repair-critical categories such as bearings, wheel-end bearings, seals, powertrains and drivelines, all areas in which SKF Vertevo has a long history. Beyond its core VA categories, SKF Vertevo is positioned to further strengthen its presence in adjacent categories, including brakes as well as steering and suspension, building on its expansion into these segments since 2020. Further, the VA portfolio is broadly powertrain-neutral, making the offering relevant across both ICE and EV platforms. The VA industry is increasingly evolving from a product-focused spare parts market towards a solution-oriented repair ecosystem, where customers require not only replacement parts but also integrated support throughout the repair process. Beyond its established categories, SKF Vertevo is selectively expanding into adjacent categories such as brakes as well as steering and suspension, leveraging its brand and distribution with the aim of increasing its share of customer repair spend, with VA net sales in these categories growing at a CAGR of 12.6 per cent between 2021 and 2025, based on SKF's Sales Data Warehouse business reporting for its automotive operations.

The VA business benefits from a broad vehicle parc, recurring repair demand, brand trust and the need for reliable repair solutions. SKF Vertevo supports customers with, technical training, dedicated repair tools, repair information, digital tutorials and application know-how. SKF Vertevo believes that this solution-oriented approach differentiates the Group in an aftermarket where increasing vehicle complexity, workshop productivity requirements and technician shortages are driving demand for comprehensive repair solutions. Customers increasingly seek partners that simplify repairs and improve workshop efficiency through complete repair kits, technical information, digital support tools, training and installation guidance, rather than sourcing individual products and services separately.

As a result, SKF Vertevo is positioned not only as a supplier of replacement parts, but as a provider of integrated repair solutions designed to support successful repair solutions, reduce repair time and enhance workshop productivity. The growing use of digital catalogues and parts-selection tools also tends to favour established, broad-line suppliers, as workshops and mechanics typically select from a limited number of recognised brands with complete and accurate fitment data, which is expected to support the visibility of the Group's products at the point of parts selection. With approximately 2.2 million EVs produced in Europe between 2017 and 2021[1], which are now generally beyond the typical five-year vehicle warranty period, SKF Vertevo has partnered with EV Clinic, a provider of EV repair services, and HAZET, a manufacturer of workshop tools, to offer workshops OE-derived EV components together with repair know-how, training and specialised tools.

Aftermarket products

	Wheel end		Powertrain		Driveline
	Steering and suspension		Brakes		Deep groove ball bearing

1) SKF Vertevo's assessment, based on S&P Global. E-Propulsion Forecast, Online database, October 2026.

BUSINESS MODEL

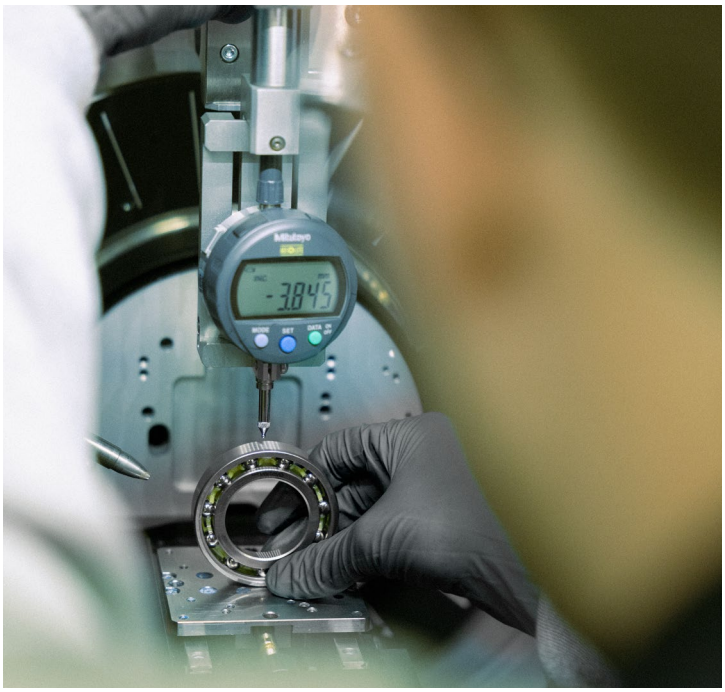
SKF Vertevo's business model combines close OEM and automotive Tier-1 supplier partnerships, OE programme-based revenue, VA replacement and repair demand, engineering collaboration, manufacturing scale, a geo-flexible, multi-origin supply model and technical service support. The Group creates value by developing and industrialising performance-critical bearing and related solutions, supplying them to customers at scale and supporting their use across the vehicle lifecycle. The business model requires the ability to translate customer requirements into validated products, manufacture with consistent quality and traceability, deliver reliably across regions and maintain technical support for both OE and VA customers.

SKF Vertevo believes that the Group differentiates itself on two engineering capabilities that reinforce the Group's position as a premium supplier: innovation capability and application engineering. Innovation is driven by customer need analysis combined with market and technology intelligence, and new products are launched on the market through customer pre-development programmes. Application engineering teams work with customers on their technical challenges to prepare solutions and act as a problem-solving partner before requirements are formally specified in the request for quotation ("**RFQ**") stage. This collaborative approach continues through industrialisation phases.

SKF Vertevo's OE and VA businesses reinforce each other across the vehicle lifecycle. Because bearing solutions are validated into each vehicle platform, changing supplier mid-platform involves cost and requalification, making nominated positions durable and supporting predictable revenue over the platform life; in CV applications, supply engagements typically span around 15 years, with many relationships extending across multiple vehicle generations. OE engineering and platform nominations create an installed base of vehicles fitted with the nominated components, as well as application knowledge and credibility. Those components are replaced over the vehicle lifecycle, supporting recurring VA demand. Furthermore, field data and repair experience from the aftermarket also feed back into product development, quality improvements and lifecycle management for future OE and VA solutions. VA demand is driven by the size and age of the vehicle parc rather than new-vehicle production, supporting resilient demand and cash generation through the cycle. SKF Vertevo believes this combination of OE engineering depth and aftermarket reach differentiates it from pure-OE and pure-aftermarket players.

Value chain and revenue model

In OE, SKF Vertevo participates in the customer's product lifecycle across technology dialogue and pre-development, quotation, concept selection, engineering design, supplier selection, prototype development, validation, nomination, industrialisation, launch, series production, engineering changes and service-parts transition. Revenue is influenced by vehicle production volumes, platform nominations, call-off patterns, launch timing, product content, price/mix and annual productivity requirements. OE programmes can require engineering and validation work before revenue generation, and programme profitability depends on disciplined quotation, industrialisation, launch execution, quality performance, productivity and working-capital management.



In VA, revenue is driven by vehicle parc size and age, mileage, repair cycles, catalogue coverage, product availability, brand strength, distribution reach, pricing discipline, repair support and channel mix. VA requires a different operating model from OE: range expansion, fitment data, kit design, packaging, inventory positioning, product availability, digital catalogue management, technical content, pricing, channel support, repair information and training, and close relationships with VA customers, in particular distributors. The VA business also creates feedback from field applications that can inform product quality, application engineering and repair solution development.

OE programme and aftermarket lifecycle

The OE and VA lifecycle models are complementary but differ materially in timing, risk profile and commercial execution. OE work typically begins several years before series production and spans technology dialogue, and pre-development, quotation, concept selection, engineering design, supplier selection, prototype development, validation, nomination, industrialisation, series production, engineering changes and service-parts transition. After nomination, the Group supplies products during series production and may continue to support spare parts and engineering changes over the platform life.

The VA lifecycle is driven by vehicle parc analytics, failure modes, repair demand and channel needs. Product managers training cover range expansion, fitment data, kit design, packaging, inventory positioning, product availability, digital catalogue management, technical content, pricing, channel support, repair information and training, and close customer relationships.

Lifecycle stage	OE business model	VA business model
Pre-development/ market sensing	Engineering teams engage with OEMs and automotive Tier-1 suppliers to understand future platform requirements, EV needs, packaging and cost objectives.	VA teams analyse vehicle parc, repair demand, failure modes, channel needs, competitor offerings, fit to purpose specifications and price point.
Quotation and nomination/ range selection	The sales process includes RFQs, technical proposals, cost models, validation plans and commercial negotiation.	The VA process includes range expansion, fitment data, kit design, packaging, inventory positioning, product availability, digital catalogue management, technical content, pricing, channel support, repair information and training, and customer relationships.
Validation and industrialisation	Products are validated through testing, production-part approval/customer approval, supplier qualification and manufacturing ramp-up.	VA products are validated for fitment, repairability, kit completeness, technical documentation and quality.
Serial supply/ distribution	Products are manufactured and delivered to customers according to schedules, quality requirements and logistics arrangements.	Products are stocked, distributed and supported through warehouses, kitting centres, distributors, workshops and digital channels.
Lifecycle support	Engineering changes, quality support, warranty management and spare parts obligations continue after launch.	Repair information, training, tools, digital tutorials and range updates support customers during vehicle life.

Information technology and digital tools

SKF Vertevo's ability to develop solutions for OE and VA customers is supported by access to a broad and evolving base of technical and application data generated across OEM relationships, product SKUs, vehicle platforms, customer applications and installed solutions over time. This data is enriched through SKF Vertevo's long-standing work with OE and VA customers, its product catalogue and technical support channels, which include information such as product part numbers, vehicle manufacturer, model, variant, year of manufacture, chassis number (VIN), engine code and application area.

By structuring and reusing this accumulated knowledge, SKF Vertevo can shorten development cycles, accelerate the adaptation of proven solutions to new platforms and applications, and improve the efficiency with which it develops solutions for both OE and VA customers. SKF Vertevo's publicly available digital tools already support customers across the product lifecycle, from product selection and evaluation to installation, maintenance and remanufacturing, and include tools that help users select and calculate bearings, seals, housings and lubrication solutions.

SKF Vertevo is expected to utilise data analytics, AI and machine-learning capabilities together with application engineering expertise to identify patterns, support faster technical decision-making and develop effective solutions without compromising quality, reliability or performance. This approach is consistent with SKF Vertevo's wider digitalisation strategy, including the use of AI-enabled tools to provide faster access to technical information contained in catalogues, specification sheets and manuals, and the use of applied AI and digital insights to support product selection, design integration and other technical workflows.

Together, these capabilities are expected to enable SKF Vertevo to increase the speed and efficiency of solution development, reduce duplication of engineering effort, and make better use of historical platform, SKU and application data while maintaining the engineering discipline and quality standards associated with the SKF brand.

STRENGTHS AND COMPETITIVE ADVANTAGES

SKF Vertevo believes that a number of key strengths and competitive advantages have contributed to SKF Vertevo's development and performance and provide a strong foundation for the Group to execute its strategy as a standalone company operating in the automotive industry. In SKF Vertevo's view, these strengths and competitive advantages include the Group's long-standing market position, engineering know-how, customer relationships, aftermarket platform, brand strength, sustainability focus and performance, global footprint, focused organisation and conservative balance sheet.

Established market position and long-term track record across OE and VA

SKF Vertevo has a long-standing position in the automotive bearings market, supported by more than a century of SKF engineering heritage, a track record of supplying demanding automotive applications and long-term relationships with OE and VA customers. The Group has developed its market position through repeated platform nominations, industrialisation of wheel-end and hub-unit technologies, development of conventional and electric powertrain solutions, expansion into CV and two-/three-wheeler applications and a broad VA presence.

The Group's track record is visible across both OE and VA. In OE, historical milestones include wheel-end hub technology, third-generation hub bearing units, truck hub unit developments, sensor integration, EV-ready bearing solutions and high-performance applications. In VA, OE-derived engineering know-how, technical support, kit design, digital tutorials and repair information support customer trust and recurring repair demand. This combination of OE credibility and VA reach provides a foundation for continued product development, long-term customer relationships and lifecycle support across vehicle technologies.

Globally positioned in automotive bearings with a focus on PV, EV, CV and high-performance vehicles

SKF Vertevo is a globally established supplier of automotive bearings with well-established positions in technically demanding categories. The Group competes in applications where customers value quality, durability, validation capability, customer engineering, manufacturing reach and supply reliability. These factors are particularly important where products are safety-relevant, difficult to replace once nominated, or embedded in long vehicle-platform lifecycles.

In EV applications, SKF Vertevo can benefit from the shift towards higher technical requirements in selected bearing positions, including higher speeds, lower friction, electrical current management, thermal performance and NVH requirements. In CVs, durability, load capacity, uptime and total cost of ownership are important customer requirements. In high-performance applications, stringent requirements for speed, load, temperature, weight and reliability provide an environment to test and demonstrate advanced engineering capabilities.

Innovation and engineering capabilities built on deep customer collaboration and co-development programmes

SKF Vertevo's engineering capabilities are rooted in bearing design, tribology, materials, coatings, lubrication, sealing, testing, simulation and application engineering. The Group works with customers during pre-development, platform design, validation, industrialisation, serial production and aftermarket support, allowing products to be tailored to application requirements and manufacturing constraints. This co-development capability is important because bearing solutions can influence efficiency, durability, NVH performance, packaging, safety functions and repairability.

Relevant public innovation examples include hybrid ceramic bearings for higher speed capability and electrical insulation, e-powertrain solutions that support energy efficiency and compact design, eDrive ball bearings developed for higher speed and temperature requirements, conductive brush ring solutions designed to address current leakage challenges, high-performance hub bearing units and sensorised bearing solutions for speed, position and control functions. These examples demonstrate how SKF Vertevo applies deep bearing know-how to new automotive requirements.

Margin accretive and resilient aftermarket platform with brand strength, recurring demand and repair support

SKF Vertevo's VA business provides exposure to recurring maintenance, repair and replacement demand across a large global vehicle parc, while also being accretive to the Group's overall margins. VA accounted for 37 per cent of the Group's net sales for the nine-month period ended 30 September 2026, and SKF Vertevo believes that it benefits from an established aftermarket presence that provides recurring revenues, with the aftermarket identified as a repetitive and beneficial business area and a source of attractive opportunities for growth. The combination of recurring replacement demand, broad vehicle parc exposure and relevance across combustion, hybrid and electric vehicles provides a business profile that complements the OE business and can contribute to earnings resilience across market cycles. Demand is less directly tied to annual vehicle production than OE, because it is influenced by vehicle age, mileage, repair cycles and workshop activity.

The margin accretive economics of the aftermarket platform are supported by SKF Vertevo's brand strength, OE heritage, broad coverage and service-led channel model. Long-standing relationships with distributors, workshops and fleet operators also provide extensive market access and customer proximity, creating a distribution platform that can support range expansion, customer retention and efficient market penetration. SKF Vertevo supplies the VA with a wide range of spare parts, both directly and through a network of more than 9,000 VA customers. The Group offers more than 50,000 SKUs, providing complete repair solutions across a wide variety of automotive makers and models. Given the more regional nature of VA relative to OE, SKF Vertevo sees an opportunity to drive growth by expanding its aftermarket offering across geographies. The core product range covers repair-critical solutions for bearings, wheel-end bearings, seals, powertrains and drivelines, alongside adjacent categories in braking as well steering and suspension. In comparison, the service proposition includes technical training, diagnostic tools, digital catalogues, technical guides, educational videos, fitting instructions, customer support and application know-how.

This combination of premium products, complete repair solutions and technical support can help distributors and workshops reduce repair complexity, improve fitment accuracy and strengthen confidence in successful repairs. Together with recurring replacement demand, broad market coverage and broad product availability, these attributes support customer loyalty, pricing resilience and profitability within the VA business.

As a large and growing business, with secular tailwinds, strong customer proximity, recurring demand and high relevance across vehicle technologies, VA is expected to remain an important contributor to SKF Vertevo's profitable growth, cash generation and resilience as a standalone company operating in the automotive industry. SKF Vertevo has also established positions in the adjacent VA categories of brakes as well as steering and suspension. These areas and customers are typically addressed during the same repair events that SKF Vertevo already serves. These adjacent categories are expected to provide additional growth opportunities by broadening SKF Vertevo's offering to workshops.





Global and geo-flexible footprint close to customers
SKF Vertevo operates a global, geo-flexible manufacturing and R&D footprint across key automotive regions complemented by logistics and commercial locations close to customers. This footprint is designed to provide customers with flexible access to supply across key automotive hubs, supporting customer proximity, regional resilience and the ability to serve both global OEM platforms and VA distribution needs.

The Group's footprint supports a geo-flexible, multi-origin supply model, enabling customers to be served from the most suitable regional hub as demand patterns, tariffs, capacity needs or logistics conditions shift. Qualified alternative supply routes across India, China, Mexico, Brazil and other locations provide delivery optionality, while transformation to an automotive-adapted value chain supports faster response times, cost efficiency and resilient customer supply.

This flexibility is supported by common technology, quality and manufacturing standards across sites, combined with regional engineering and manufacturing teams that address customer-specific requirements, localisation demands, tariff resilience and logistics efficiency. The strength of this model was demonstrated during the COVID-19 pandemic, when SKF Vertevo leveraged its global footprint to rebalance production amid widespread supply-chain disruption while maintaining customer commitments. It was also demonstrated following the outbreak of the Ukraine conflict, when approximately 60 per cent of SKF Vertevo's CV parts production was located in Ukraine and the Group rapidly shifted production to alternative sites without any customer disruption or delays.

Focused standalone organisation with automotive-adapted governance and faster execution
As a standalone company, SKF Vertevo has a dedicated automotive governance model, focused leadership and a capital allocation framework tailored to automotive customer requirements. The separation supports clear strategic priorities, shorter decision paths, increased transparency and accountability, and stronger alignment between operational decisions and automotive market dynamics.

A focused standalone organisation is intended to enable the Group to prioritise product categories, factories, R&D capabilities, after-market growth and digital tools that directly support automotive competitiveness. The separation is also expected to enable more focused management of programme profitability, footprint optimisation, working capital and customer responsiveness. The Group's global footprint and focused company setup may further provide the opportunity to operate with greater speed and efficiency, as it continues to seek to strengthen its position in core segments and to expand in selected growth areas. With a supply chain that the Group intends to optimise for the automotive industry, the transformation is expected to contribute to improvements in cost and capital efficiency and speed.

Conservative balance sheet with zero net debt and solid liquidity position

SKF Vertevo enters the spin-off with a desired net debt of SEK 0, considering certain post-listing transactions, and a solid liquidity position. This provides financial flexibility to fund working capital, R&D, customer programmes, plant modernisation, automation, quality systems, aftermarket range expansion and footprint transformation. It also supports resilience in an automotive supplier environment characterised by programme launch costs, working-capital swings, raw-material volatility and more stringent customer payment terms.

A trusted and widely recognised brand

SKF Vertevo operates under the SKF brand, which it licenses for use in automotive applications. The Company considers "SKF" to be one of the most established and widely recognised names in the bearings market, which is supported by a 2025 brand survey conducted by Ipsos in which SKF is ranked among the most recognised bearing brands, with a total brand awareness of 90 per cent among automotive bearing buyers.[1] SKF Vertevo believes the brand is strongly associated with quality, reliability and technical credibility, built over more than a century of engineering heritage, and that it is well recognised and trusted among OE and VA customers. This brand equity supports customer confidence, recurring aftermarket demand and channel access, and provides a recognised platform from which SKF Vertevo can introduce new products and expand into adjacent categories.

PURPOSE

SKF Vertevo's purpose is to move people further. This means supporting and inspiring progress, fostering collaboration to drive sustainable growth and create long-term value for the Group's stakeholders, and going the extra mile to push the boundaries of technology. In practice, SKF Vertevo aims to fulfil this purpose together with customers and partners by providing reliable, efficient and customised bearing products, related solutions and lifecycle support that keep vehicles turning safely, efficiently and sustainably. This purpose is supported by a culture centred on customer proximity, engineering excellence, quality, speed, cost discipline, sustainability and accountability. Across the vehicle lifecycle, SKF Vertevo also supports customers in maintaining, repairing and extending vehicle life through technical expertise, repair solutions and aftermarket support.

STRATEGY

SKF Vertevo's strategy is based on three mutually reinforcing strategic priorities: Growth, Efficiency and Speed. The strategy reflects the Company's position as a focused automotive bearings and related solutions business and is designed to support profitable growth, improve competitiveness and increase customer responsiveness. As a standalone company, SKF Vertevo will operate with dedicated governance, clearer accountability and a business system tailored to customer requirements, automotive supply chain, product-development cycles and aftermarket service needs. Sustainability is an integral part of SKF Vertevo's business strategy and is embedded across these priorities.

Growth

SKF Vertevo focuses its resources on applications in regions with growing demand and in areas supported by favourable trends, where its technical capabilities, product quality, validation expertise, supply reliability, customer proximity and brand strength provide a clear competitive advantage. These efforts are intended to support profitable growth above the market over a business cycle, while preserving the Group's focus on disciplined capital allocation and quality of execution.

Continue to win in core categories

SKF Vertevo's strategy is to continue delivering profitable growth in its core categories and key end-markets, across PVs, including SUVs and EVs, CVs and the VA. The Group benefits from a broad automotive portfolio across wheel end, powertrain and drive control applications, as well as aftermarket repair solutions. Its core products include wheel hub units, wheel-end bearings, tapered and roller bearings, wheel-end seals, engine and transmission bearings, e-powertrain bearings, and conductive brushes, ball-screws for electric mechanical braking, hub units for in-wheel motor applications, propshaft and CV-joint components, lubrication and sealing systems, steering and suspension-related components, chassis-related precision products, wheel-end service kits, engine kits, belt and tensioner kits, braking components, driveline repair solutions, suspension bearings, pulleys and other replacement components. SKF Vertevo serves global and regional OEMs and automotive Tier-1 suppliers and has also established relationships with a number of fast-growing EV OEMs. In VA, the Company serves distributors, buying groups, workshops, fleet operators and digital marketplaces in the independent aftermarket as well as OEMs for their own after-sales channels (OES).

The Group's position in these core categories is supported by long-standing customer relationships, extensive application know-how, a global manufacturing footprint, local manufacturing and distributor presence as well as technical validation capabilities. SKF Vertevo is recognised as a global premium player in automotive bearing solutions, with particular strengths in innovation, quality, engineering excellence, product range and high-precision applications.[2] In the VA, SKF Vertevo is widely recognised for its premium brand, broad product offering, technical support, product availability, solution offering and service levels.[3] SKF Vertevo has recently signed several new distribution agreements in North America and Europe, which are expected to add approximately BSEK 1 of sales over the coming four years. SKF Vertevo intends to build on these capabilities to support customer retention and facilitate the introduction of adjacent product categories through established channel relationships.

1) Ipsos. SKF Bearings Brand Survey – Automotive, December 2025. Total brand awareness of 90 per cent comprises top-of-mind awareness of 22 per cent, other unaided awareness of 35 per cent and aided awareness of 33 per cent.
2) The Market Insight and SKF Vertevo's assessment.
3) The Market Insight and SKF Vertevo's assessment.

In PVs, SKF Vertevo intends to continue focusing on technically demanding applications where performance, friction reduction, durability, NVH performance, compact design and validation capability are important differentiators. In EV, the Company benefits from the fact that EV applications generally require more technically sophisticated bearing solutions, including high-speed, low-friction and electrically insulated products. This is reflected in the Group's OE portfolio, where EV applications excluding hybrid applications accounted for 33 per cent of OE net sales of powertrain products in 2025 from programmes currently in series production, and EV applications (including hybrid applications for vehicles with a battery capacity exceeding 20 kWh) accounted for approximately 60 per cent of the value of OE platform awards on a last twelve-month basis as at 30 September 2026, demonstrating the competitiveness of SKF Vertevo's EV offering.[1)] In CVs, SKF Vertevo intends to build on its established presence in CV bearings, its R&D and technical capabilities, and its well-developed offering in heavy-duty truck applications, while also targeting faster-growing niches such as electrified CV platforms. In the VA, the Group intends to continue leveraging its strong brand, product and solution credibility, fitment data, workshop support, distribution network and digital channel presence to deepen its core bearing and seal categories and support recurring demand from an ageing vehicle parc.[2)]

The success of this priority is contingent on SKF Vertevo securing and retaining platform nominations in a competitive supplier landscape and defending price and mix against OEM cost pressure, while sustaining the quality, launch execution and productivity needed to convert share gains into profitable growth.

Maintain and strengthen position in innovation

SKF Vertevo's innovation is built on century-long engineering expertise, deep application knowledge and close collaboration with customers. Leveraging advanced technical capabilities, extensive data and experience across a wide range of vehicle applications, the Group develops fit-for-purpose products, adapted to the customer's requirements in terms of performance, efficiency and reliability.

SKF Vertevo's innovation agenda is focused on areas where vehicle technology is becoming more demanding, including high-speed e-powertrain applications, low-friction wheel-end solutions, electric current management, electrical insulation, thermal durability, compact design, reduced noise and vibration, improved system efficiency and software-defined EV platforms.

The increased use of digital tools, faster time-to-market and development of products attuned to future needs are key elements of SKF Vertevo's growth agenda. Based on customer feedback and its established position in e-powertrain, SKF Vertevo believes that its products for EVs, offering electric current management, high-speed capability and simulation capability, are highly relevant to customers' requirements and provide a sound base for future growth.

Customer collaboration creates insight into future market needs and partnerships in high-performance applications provide a valuable opportunity for developing and testing in a demanding environment. SKF Vertevo pushes technical boundaries to develop sustainable solutions adapted for the evolving world. Examples of advanced EV applications include high-speed ceramic bearings for electric motors operating at up to 30,000 revolutions per minute (rpm), and long-standing relationships in high-performance environments such as racing, where product reliability, technical precision and continuous development are critical. These capabilities will continue to provide SKF Vertevo with an important platform to address future requirements in EVs, CVs, PVs and performance applications, while maintaining the quality, reliability and validation standards associated with the SKF brand.

SKF Vertevo's products are relevant throughout the vehicle lifecycle, not least for future service, repair and replacement demand. In turn, the VA business provides stable, recurring revenue as well as lifecycle insight and direct feedback from repair events, supporting future innovation cycles and engineering capabilities.

Maintaining this position is expected to require continued R&D investments, not all of which will materialise in new products, some of which may have long payback periods. In addition, it is expected to require winning new customer programmes as well as retaining engineering talent and access to foundational research following the separation.

Expand addressable market

SKF Vertevo intends to broaden its serviceable addressable market by expanding its product and service offering in growing and profitable automotive categories, including EVs, CVs and the VA, as well as selected adjacent automotive applications where it can leverage existing knowledge, technology and customer access. The Group's addressable market expansion is expected to be pursued in a disciplined manner, focusing on automotive adjacencies where SKF Vertevo's core competencies in bearings, in rotation and motion, application engineering, validation and technical support provide a credible basis for winning business.

In OE, the opportunities to expand beyond the current core footprint lie in adjacent automotive components and sub-components where technical requirements are increasing and where existing SKF Vertevo capabilities can be applied. SKF Vertevo believes that one of the most promising areas is software-defined vehicles, where X-by-wire technology is becoming a core enabler for autonomous driving, having potential to cut mechanical complexity and improving space consumption, weight and control integration in vehicle platforms. Other potential areas include e-motor rotor shafts, EV disconnect applications, differential and driveline applications, CV shaft, side shaft and prop/link shaft applications, engine block bearing applications, water pump applications, heat pump and compressor assembly bearing applications, and selected actuator-related applications. These opportunities are attractive because many of them build on SKF Vertevo's existing bearing, shaft, sealing, friction management and OEM co-development capabilities, rather than requiring a step-change into unfamiliar technologies.

In the VA, SKF Vertevo has already penetrated selected adjacent markets beyond its historical core offering and intends to continue expanding into broader repair categories. In addition to its core offering, the Group is active in adjacent areas such as brakes and steering and suspension, and may selectively expand further across driveline, powertrain and other repair categories where it can leverage its product credibility, brand, channel access, fitment data, workshop guidance and repair support. This strategy allows SKF Vertevo to move from individual components towards more

1) Includes only identifiable EV applications. The value of platform awards is based on estimated net sales in the peak volume year of the awarded programmes.
2) Arval Mobility Observatory. Fleet and Mobility Barometer 2026 – Global Report, April 2026.



comprehensive repair solutions, including integrated kits, tools, installation guidance and technical support for workshops and distributors. This approach is also expected to enable SKF Vertevo to supply a broader range of products and solutions for individual repair events and strengthen the customer relevance across a broader portion of the vehicle repair ecosystem.

Geographic expansion is also expected to support addressable market growth. SKF Vertevo intends to deepen its exposure to faster-growing customers and regions, including selected Chinese EV OEMs, the Indian mobility market and broader aftermarket opportunities outside Europe. The Group has already broadened its aftermarket offering in Europe and its ambition is to do the same in other geographies. In addition, the Group expects to benefit from its established aftermarket presence and recurring demand profile, supported by an ageing vehicle parc, increased repair needs and the shift towards more digital and omni-channel aftermarket purchasing models.[1)]

Across these expansion opportunities in the automotive industry, SKF Vertevo intends to remain selective and value-focused. The Group expects to prioritise product categories, customer programmes and regions that meet its return, strategic relevance and risk criteria, while leveraging its existing engineering base, customer relationships, application data, validation capabilities, global footprint and brand. This approach is intended to increase SKF Vertevo's serviceable addressable market, strengthen its exposure to attractive growth segments and support profitable growth without diluting its execution focus or quality standards.

SKF Vertevo's successful execution of this expansion depends on the pace and direction of vehicle electrification, heavily influenced by the regulatory environment, and on the capital, local qualification and channel development required to grow in EVs, selected regions such as India and APAC, and adjacent aftermarket categories.

Sustainability

Sustainability is embedded in SKF Vertevo's overall corporate strategy and Code of Conduct. It is about creating long-term stakeholder value by managing impacts, risks and opportunities across environmental, social and governance ("**ESG**") pillars, and is an integrated part of how SKF Vertevo develops and conducts its business.

The largest contribution to sustainable solutions comes from SKF Vertevo's products, as they help customers to improve their sustainability performance and business by increasing the efficiency and range of their vehicles, reducing emissions and decreasing the amount of energy needed.

SKF Vertevo remains committed to its sustainability priorities. By aligning its product portfolio and operating model with the automotive industry's decarbonisation and circularity priorities, SKF Vertevo believes it is well positioned to capture additional growth opportunities, deepen strategic customer relationships and support OE customers in the transition towards lower-emission mobility.

Implementing SKF Vertevo's sustainability priorities will require the Group to manage the cost of decarbonisation, particularly in relation to Scope 3 emissions linked to steel sourcing, and meeting an expanding set of regulatory requirements, while balancing these costs and investments against customers' continued focus on cost competitiveness.

1) Arval Mobility Observatory. Fleet and Mobility Barometer 2026 – Global Report, April 2026.

Efficiency

Efficiency through a lean, geo-flexible operating model

SKF Vertevo's efficiency agenda is designed to support profitable growth and cash generation by establishing a lean company setup, transforming to an automotive-adapted value chain, applying a design-to-value approach and a structured operational excellence programme. The strategy focuses on lowering structural cost, improving productivity, strengthening working capital discipline and increasing operational resilience, while maintaining customer proximity, launch performance and product quality. Increasing cost pressure in the automotive industry requires SKF Vertevo to continuously improve efficiency and drive cost reduction measures across the entire value chain. Through its transformation to a dedicated automotive organisation, SKF Vertevo is also expected to be able to make footprint, capacity and industrialisation decisions with clearer accountability, fewer interfaces and fast resource allocation. The Group is currently transforming its manufacturing and logistics network to increase capacity utilisation, reduce complexity and improve cost efficiency. The Group intends to continue evaluating opportunities to optimise its manufacturing footprint and allocation of production capacity across its global network as market conditions and customer demand evolve. For example, the low utilisation rates within the European manufacturing footprint are being addressed by a transformation programme including capacity consolidation, asset rebalancing and fixed cost reduction. The programme is supported by a full value chain review and procurement strategy implementation. To deliver on ongoing programmes and future transformation of the footprint in Europe and other regions, further investments and costs, including items affecting comparability, are expected (see "*Ongoing and future investments*" below).

Lean company setup

SKF Vertevo intends to operate with a leaner and more focused organisational setup, supported by dedicated functions, clearer accountability and decentralised decision-making closer to customers and other stakeholders. SKF Vertevo believes that such an organisational model may help reduce complexity, limit duplication and support efficient execution across engineering, industrialisation, procurement, manufacturing, logistics and commercial operations. A common performance-management framework will support profitability and cash generation by increasing transparency on cost, quality, delivery, inventory and launch performance. The recurring nature of aftermarket demand further supports working-capital efficiency and cash generation across market cycles.

SKF Vertevo's profitability initiatives include portfolio management, product and platform standardisation, procurement savings, design-to-value approach, reducing the margin impact of transitional contract manufacturing over time, supplier consolidation, working capital discipline, launch excellence and quality performance. By aligning resources with the most value-accretive products, customers and platforms, SKF Vertevo aims to strengthen margin resilience and improve the conversion of operational performance into cash flow.

Achieving the intended benefits will require building standalone capabilities and absorbing the associated costs as transitional arrangements with SKF wind down, without disrupting operations or customer deliveries.

Design-to-value

SKF Vertevo applies a design-to-value approach in which value and cost are engineered into products from the concept phase, based on value-driven design and sourcing. It uses target costing and should-cost analysis to assess the expected cost of materials and components and to inform design, make-or-buy and sourcing decisions. Components are optimised against their cost targets through value engineering, with product and process developed in an integrated way with the aim of optimising both component cost and manufacturability. Designs are validated early through rapid prototyping and virtual simulation rather than relying solely on physical testing, reducing development cost and time. Together, these measures are intended to optimise product value and cost, shorten development and support more efficient industrialisation with fewer late-stage changes.

Automotive-adapted value chain

SKF Vertevo's value chain is being adapted to the specific requirements of the automotive industry, including cost competitiveness, high-volume reliability, launch discipline, quality consistency and responsiveness to changing customer demand. Where appropriate and approved by customers, SKF Vertevo may apply automotive-qualified material options and specifications that are optimised for the intended application, rather than over-specifying beyond customer and performance requirements. This supports cost competitiveness while maintaining the required performance, durability and quality standards for the relevant application. As at 30 September 2026, SKF Vertevo had seven ongoing programmes in APAC, India and Mexico to introduce automotive-adapted steel grades.

Geo-flexible value chain

Rather than relying on a strict local-for-local model, the Group can offer customers a geo-flexible, multi-origin supply approach across key automotive hubs. This means that customers can be served from the most suitable qualified location as demand, capacity, tariffs or logistics conditions shift. Qualified alternative supply routes across Europe, India, China, Mexico, Brazil and other locations provide delivery optionality and support supply continuity. The model is also intended to place the best competences in the best place, allowing specialised engineering, industrialisation and manufacturing capabilities to be concentrated where they create the most value, while regional teams remain close to customers for localisation, launches and service requirements.

This geo-flexible value chain will support cost efficiency, tariff resilience, shorter and more efficient logistics flows where appropriate, and a stronger ability to respond to market volatility without compromising customer delivery or product quality.

Deploying capabilities to their optimal locations and reducing reliance on transitional contract manufacturing arrangements over time may require capital investment, asset transfers, capacity build-up, customer requalification and organisational coordination, and must be managed to avoid disruption to customer supply.

Speed

SKF Vertevo is focused on faster execution, shorter time to market and more responsive customer service across both OE and VA. As a dedicated automotive organisation, the Group is expected to

benefit from clearer accountability, shorter decision paths and a fully focused management agenda, reducing organisational touchpoints and improving transparency across engineering, procurement, manufacturing, supply chain and commercial functions. Given this increased focus, SKF Vertevo expects to accelerate decisions on technology dialogue and pre-development, quotation, concept selection, engineering design, supplier selection, prototype development, validation, nomination, industrialisation, launch, series production, engineering changes and service-parts transition in OE, as well as on range expansion, fitment data, kit design, packaging, inventory positioning, product availability, digital catalogue management, technical content, pricing, channel support, repair information and training, and close customer relationships in VA, thereby enabling a faster market introduction of new repair solutions.

For SKF Vertevo, speed is also a source of operational and commercial excellence. Faster processes and decision-making not only enable the Group to do more with less but also provide a competitive advantage in meeting customer expectations. The standalone setup is designed to support real-time transparency, optimised resource allocation and accelerated execution through parallel and disciplined ways of working, allowing the Group to respond faster to customer sourcing events, cost changes and aftermarket demand.

Digital tools, automation, AI, data analytics and machine learning are expected to be key enablers of this speed agenda. The Group can draw on a large base of engineering data, product-validation history, application know-how, manufacturing experience and customer-feedback data accumulated over more than 100 years of SKF automotive work with OE and VA customers. By combining this heritage data with modern simulation, analytics and AI-enabled workflows, SKF Vertevo can support faster design iterations, shorten validation and problem-solving cycles, improve root-cause analysis and quality prediction, enhance demand planning and supplier monitoring, and accelerate VA catalogue management and repair-information updates. These capabilities are intended to reduce time to market, improve responsiveness and support more efficient execution across the value chain.

FINANCIAL TARGETS AND DIVIDEND POLICY

The Board of Directors of SKF Vertevo has approved the following financial targets[1] and dividend policy.

Target	Description
Organic growth	Above market over a business cycle.
Adjusted operating margin	Above 6 per cent in the medium term and at or above 8 per cent in the long term.
Net debt/adjusted EBITDA	Less than 1.0x.
Adjusted return on capital employed, excluding cash and cash equivalents	10–13 per cent in the medium term and above 15 per cent in the long term.

Dividend policy: The ordinary dividend pay-out ratio should amount to 30 to 50 per cent of SKF Vertevo's average net profit calculated over a business cycle. SKF Vertevo's dividend policy is based on the principle that the total dividend should be adapted to the trend for earnings and cash flow, while considering the Group's development potential and financial position. See also "*Dividend policy*".

As described throughout this "*Business description*" section, the key levers for improving the adjusted operating margin towards the target include reduced contract manufacturing, profitable growth and enhanced efficiency. An improved margin is also expected to be a key lever for achieving the adjusted ROCE target, together with more efficient management of net working capital and fixed assets.

BUSINESS LINES AND PRODUCT MANAGEMENT

The Business Lines & Product Management function is a central component of SKF Vertevo's operating model. The function links market demand, customer requirements, product strategy, innovation priorities, commercial opportunities, industrialisation execution and lifecycle profitability. It operates across the full value chain and interfaces with R&D, the Sales Regions, Manufacturing Operations, Quality & EHS, Procurement & Supply Chain and Finance & IT, while sustainability priorities are integrated across the function and the wider organisation.

The function supports value creation from business opportunity identification and preparation of RFQs through business case creation, investment management, industrialisation project execution, launch and portfolio optimisation. Its mandate is intended to support disciplined growth, robust capital allocation, operational readiness and sustained profitability over the product lifecycle. Key responsibility areas include innovation roadmap, product-line and footprint strategy, as well as performance and portfolio management. Through cross-functional interfaces, the function provides coordinated central direction while supporting local decision-making, with innovation, sustainability and operational excellence integrated into the way of working.

Organisation and operating structure

As of 30 September 2026, the Business Lines & Product Management function comprised approximately 80 employees globally, of whom approximately 50 per cent were located in Europe, including global roles, approximately 10 per cent in the Americas, approximately 15 per cent in India and approximately 25 per cent in China and the wider APAC region.

The function is organised across four core teams: Strategic Product Planning and Portfolio Management, Operational Business Development, Customer Project Management and Programme Management Office, and Sustainability. These teams respectively support product and portfolio strategy, business opportunity development, customer programme execution and the integration of sustainability priorities. The function operates across two primary application dimensions: Wheel End, covering unitised solutions for cars and trucks, and Driveline, covering drive control and powertrain solutions for PV, CV and two-/three-wheelers.

Vehicle aftermarket portfolio management and innovation

The VA business reflects the distinct requirements of VA customers and distribution channels. Unlike OE, success in the aftermarket depends not only on product performance, but also on portfolio breadth, fitment coverage, data accuracy, speed of range expansion, customer training, repair support and digital capabilities.

Portfolio and sourcing teams identify category and geographic growth opportunities, manage product coverage across vehicle applications and channels, and oversee product lifecycle, supplier,

1) See also "*Financial information–Key performance indicators*".

validation and profitability decisions across the aftermarket offering. As repair budgets typically decline with vehicle age, the offering is adapted through lifecycle sourcing, ranging from OE or equivalent solutions for newer vehicles to premium-branded and value-for-money solutions for older vehicles.

Dedicated VA R&D and digital capabilities support the development and launch of repair-oriented solutions, including complete repair kits, installation guidance, technical documentation, accurate product and application data and catalogue management. Product marketing, training and customer support help sales teams, distributors and workshops adopt new products and repair solutions. Together, these capabilities support portfolio expansion, customer responsiveness and profitable growth across core and adjacent aftermarket categories.

INNOVATION AND RESEARCH AND DEVELOPMENT

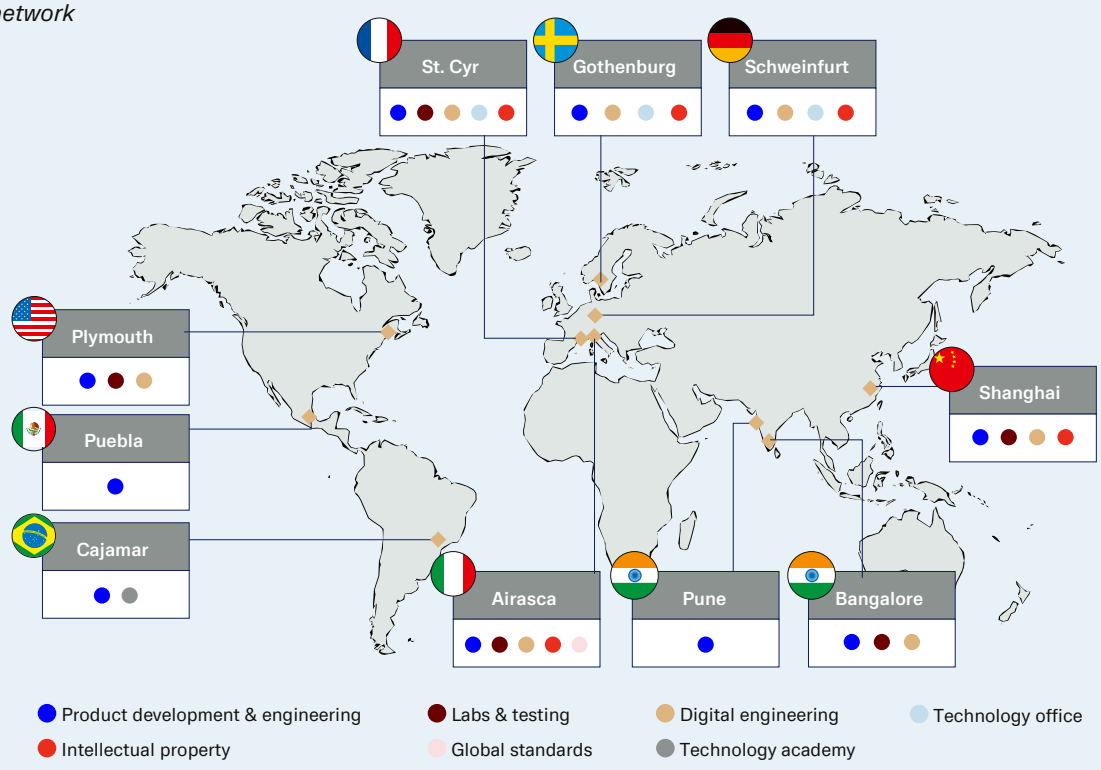
R&D is central to SKF Vertevo's ability to maintain its position as a premium automotive bearing and motion technology supplier and to support customers across OE and VA applications. Across both ICE and EV platforms, the Group's R&D activities are focused on improving performance, reliability, efficiency, durability and total cost of ownership across PVs, including high-performance applications, as well as CVs, two-/three-wheelers and VA. SKF Vertevo's current product and technology base spans wheel-end, driveline, powertrain, drive control and VA applications, including wheel hub units and wheel-end bearings, tapered and roller bearings, wheel-end seals, engine and transmission bearings, e-powertrain bearings and conductive brushes, ball-screws for electric mechanical braking, hub units for in-wheel motor applications, propshaft and CV-joint components, lubrication and sealing systems, steering and suspension-related components, chassis-related precision products, wheel-end service kits, engine kits, belt and tensioner kits, braking components, driveline repair solutions, suspension bearings, pulleys and other replacement components.

SKF Vertevo's R&D strategy is intended to support the Group's broader growth strategy by helping it continue to win in key segments, maintain and strengthen its innovation leadership and expand its addressable market. Increased utilisation of digital tools, faster time-to-market, strengthened design-to-X capabilities and the development of new products attuned to future needs are core elements of the innovation and growth agenda.

R&D organisation and technical centres

As of 30 September 2026, SKF Vertevo's R&D organisation comprised 347 employees engaged in R&D, engineering, testing, validation, digital engineering and technical customer support. The Group's R&D activities are conducted through a global network of ten technical centres located in nine countries. The R&D teams interface with customers in collaboration with 97 application engineers within the sales organisation.

Global R&D network



SKF Vertevo's R&D activities are organised around product categories and technology responsibilities. Product and application-specific development is carried out by engineering teams aligned with the Group's principal product categories, while central or global technology functions support common engineering standards, core technology development, product roadmaps, simulation methods, testing methodology, digital tools, technology, trainings, and intellectual property management. They also interface with relevant teams in the Manufacturing Operations, Quality & EHS function and the Procurement & Supply Chain function. This structure combines accountability for product categories with the reuse of shared technologies, engineering methods and product knowledge across the Group.

SKF Vertevo's technical centres play a central role in translating customer, platform and market requirements into validated product designs and industrialised solutions. These centres provide capabilities such as concept engineering, application specific design, bearing calculation, simulation, prototype development, design-to-X, materials and tribology expertise, sealing and lubrication know-how, friction reduction, NVH engineering, current-management engineering, product-life modelling and technical issue resolution. In OE, the technical centres support customer programmes from early concept and RFQ through design, prototyping, testing, validation, customer approval, industrialisation and series production. In VA, dedicated aftermarket engineering and product-development resources support catalogue coverage, fitment accuracy, range expansion, kit development, installation guidance, workshop support, digital solution requirements and feedback from distributors and mechanics. The technical centres also support lifecycle design, including tuning products and repair solutions over the vehicle lifetime using platform history, field performance, warranty analysis, aftermarket feedback and fitment data.

SKF Vertevo's laboratories and testing sites form an integrated part of the R&D organisation. These facilities are expected to support product verification, application validation and continuous product improvement through, among other things, mechanical performance testing, endurance and bearing service-life testing, high-speed testing, friction and energy-loss testing, thermal testing, sealing and contamination testing, NVH testing, electrical current management and insulation testing, materials and surface analysis, metrology and failure analysis. These capabilities are particularly important because many of SKF Vertevo's products are used in safety-critical or performance-critical automotive applications, including wheel-end, driveline, e-powertrain in both PV and CV applications.

SKF Vertevo's R&D organisation is also supported by digital engineering capabilities. Simulation, virtual testing, design libraries, product data, platform history, SKU and fitment data, field performance information and aftermarket repair data are expected to support faster product development and more efficient reuse of proven solutions. Together with AI-enabled analytics and machine-learning tools, these capabilities are expected to help the Group identify relevant historical designs, compare application requirements, improve validation planning and support faster technical decision-making while maintaining the Group's engineering, testing and quality standards. SKF Vertevo reduced the median industrialisation lead time for selected products commencing production in the second quarter of 2026 by approximately 50 per cent compared with the relevant baseline, being the industrialisation lead time measured across the Group's engineering-to-order development projects over the preceding four years, comprising approximately 1,200 development projects. This improvement resulted from a combination of initiatives across the industrialisation process, including streamlined ways of working, earlier cross-functional involvement, standardisation and targeted automation. As one example, code-based automation reduced the time required to generate selected truck-matched unit design documentation from approximately one working week to a few hours. AI-assisted development tools were used to accelerate parts of the code generation, while the automated engineering process itself remains rule-based. Although this automation represents only one contributor to the broader lead-time improvement, it demonstrates how digital engineering tools can reduce recurring engineering effort, improve consistency and support faster execution.

SKF Vertevo's R&D footprint is organised as a global engineering network, with specialised competences located in key regions and close to customers. Global technology and competence centres provide common engineering standards, core bearing and motion technologies, application-appropriate material selection, tribology, current management, simulation methods, testing methodology and technology roadmaps. Engineering teams located in the regions apply these global capabilities to customer programmes, supporting application-specific design, local validation requirements, faster technical response and close collaboration with OE and VA customers in EMEA, the Americas, APAC, including China and India as well as other selected markets.

This global and regional structure supports both innovation and execution speed. In OE, proximity to customers and production sites allows SKF Vertevo to support platform-specific engineering, local validation requirements, launch support and continuous improvement. In VA, proximity to distributors and workshops supports faster product-range updates, more accurate fitment data, installation support and the development of repair solutions that reflect local vehicle parc and repair practices.

Following the separation from the SKF Group, SKF Vertevo operates the technical centres required to support its business. On high-technical-readiness-level (TRL) SKF Vertevo relies primarily on own engineering and testing capabilities, while on lower TRL, such as base research or early technology development, may be done internally or accessed through transitional services, long-term service arrangements or cooperation agreements with the SKF Group or third parties.

In addition, SKF Vertevo and SKF entered into a Research and Development Collaboration Agreement (**"RDCA"**) in 2025 to establish a framework for continued post-separation collaboration on research and development activities where the parties have compatible needs and expect mutual benefit. The RDCA governs joint early-stage research and development activities, with costs shared equally between the parties. Each party is entitled to use the results of the collaboration within its respective exclusive field of use, as defined in the Background Intellectual Property/Intellectual Assets Licence Agreement (**"BIPLA"**) (see also "*Shareholder information and legal matters–Material agreements*").

R&D process

SKF Vertevo's R&D process follows a structured, customer-oriented development model designed to balance speed, quality, cost competitiveness and validation discipline. The process typically begins with market, platform and customer insight generation, including analysis of OEM requirements, vehicle platform trends, product roadmap priorities, SKUs, fitment data, application history, field experience and aftermarket repair needs. These insights are used to identify product requirements, prioritise development programmes and assess whether a potential solution fits SKF Vertevo's strategic, technical, commercial and risk criteria.

In OE applications, the process moves from customer requirements and concept definition into design, simulation, prototyping, testing, validation, customer approval, industrialisation and series production. The process is particularly important in safety-critical and performance-critical applications, including wheel-end, driveline, e-powertrain and CV applications, where products must meet demanding requirements for durability, load capacity, friction, thermal performance, NVH, compactness, electrical current management and manufacturing consistency.

In VA applications, the R&D process combines product engineering with fitment analysis, repair-solution design, catalogue development, workshop usability and channel support. This includes identifying relevant vehicle parc and repair demand, matching products to vehicle platforms, developing kits and repair solutions, preparing installation guidance and ensuring that distributors and workshops can select and install the correct parts efficiently. The Group's aftermarket development process is therefore closely linked to technical data, product availability, repair support and digital catalogue tools.

SKF Vertevo's R&D process also includes continuous feedback loops from customers, suppliers, manufacturing, testing, field performance, warranty analysis, workshop feedback and aftermarket channels. This enables SKF Vertevo to improve existing products, reuse validated designs where appropriate, reduce duplication of engineering effort and accelerate the development of new solutions. Digital tools, simulation and AI-enabled analytics are expected to further support the R&D process by helping engineers identify relevant historical solutions, analyse application patterns, compare platform requirements and support faster technical decision-making.

SKF Vertevo is entrusted by major global OEMs and automotive Tier-1 suppliers to execute product validation and qualification activities internally. This capability is enabled through a combination of:

- A globally recognised IATF 16949 certified Quality Management System;
- Robust testing and validation processes integrated into automotive product development programmes;
- Full measurement traceability and controlled calibration systems;
- Qualified personnel operating according to standardised test methodologies;
- Regular customer audits and supplier qualification assessments;
- Proven technical competence developed through decades of support to global automotive platforms.

This framework allows SKF Vertevo to generate validation evidence, qualification reports, and technical documentation that are accepted within customer approval and product release processes. As a result, many validation activities can be conducted directly by SKF Vertevo, enabling reduced development lead times while maintaining full compliance with automotive quality requirements.

R&D innovation examples

SKF Vertevo's innovation agenda is focused on developing automotive motion technologies that improve efficiency, durability, compactness, reliability and ease of installation across both OE and VA applications. The Group's R&D activities build on its capabilities in bearings, seals, lubrication, materials science, tribology, system engineering, simulation and application know-how, and are increasingly directed towards electrified, energy-efficient and higher-load vehicle platforms.

In electric motor applications, SKF Vertevo develops high-speed steel and ceramic bearing solutions designed to operate in demanding e-drive environments, including applications with motor speeds of up to approximately 30,000 rpm. These solutions build on earlier bearing designs through the use of advanced ceramic rolling elements, optimised internal geometry, precision surface finishing and application-specific lubrication. Compared with conventional all-steel or lower-speed bearing solutions, these developments reduce rotating mass, friction and heat generation, while improving high-speed capability and resistance to wear. This supports higher power density, improved efficiency, reduced noise and vibration, and longer service life in compact electric drive units.

Electric current management is another important area of innovation for SKF Vertevo. In electric powertrains, stray electrical currents can pass through bearings and related components, potentially causing surface damage, grease degradation, increased noise and reduced component life. SKF Vertevo develops solutions such as electrically insulating bearing technologies, conductive brush rings and other current-management concepts to help control or divert such currents. Compared with prior designs without dedicated current-management functionality, these solutions are intended to improve reliability, reduce the risk of premature bearing damage and support longer maintenance intervals in e-motor and e-drive applications. Within this portfolio, a recent example is the second-generation conductive brush ring, which has been designed as a modular and scalable solution for parasitic current mitigation in EV powertrains and has progressed into customer-awarded programmes.

SKF Vertevo also develops advanced wheel-end and hub-bearing solutions for EVs, SUVs and CVs, where increasing vehicle weight, higher torque, packaging constraints and durability requirements create more demanding operating conditions. Examples include taper-taper bearing solutions for EVs and SUVs, third-generation hub bearing units combining ball and tapered roller technologies, complete wheel-end assembly concepts and bearing solutions for in-wheel motor applications. These developments are designed to improve load-carrying capacity, reduce friction, optimise power-density and simplify assembly compared with earlier wheel-end configurations, while supporting vehicle-level dynamics and performance, safety and durability. Through continuous innovation in bearing architecture, lubrication systems, sealing technologies and rolling-element optimisation, the Group has developed successive generations of low-friction wheel bearings



designed to reduce energy losses, improve vehicle efficiency and lower total cost of ownership. As an illustration of this capability, an SKF Vertevo hub bearing developed in 2026 generated up to 65 per cent lower friction torque than a bearing designed approximately two vehicle platform generations earlier under comparable customer and application conditions, while maintaining key performance requirements such as stiffness, durability and package constraints. These capabilities are leveraged across both OE and VA applications, enabling SKF Vertevo to translate engineering innovation into measurable customer value throughout the vehicle lifecycle.

In e-drive, driveline and emerging brake-by-wire applications, SKF Vertevo applies its bearing, shaft and system know-how to products such as needle roller bearings for planetary gear stages, ball nuts and ball screws for electric mechanical braking, conductive brush rings and adjacent shaft-related components. These solutions are designed to support compact gearbox architectures, higher rotational speeds, improved torque transmission and more efficient motion control. Compared with conventional driveline components, the R&D focus is on reducing friction and heat generation, improving precision and durability, and enabling more compact and efficient electric drivetrain designs. In electro-mechanical braking (**"EMB"**) specifically, as vehicle braking moves from hydraulic and electro-hydraulic systems towards dry, electronically controlled actuation, the ball-screw converts the actuator's rotary motion into the linear force that applies the brake. The load, friction, efficiency and requirements of this safety-critical application are closely related to SKF Vertevo's core bearing, materials and tribology expertise, which the Group believes provides a capability advantage. EMB enables faster, more compact and oil-free braking and is an important enabler of advanced driver assistance and automated driving, positioning SKF Vertevo to benefit from growth opportunities in autonomous applications, including robotaxi and other higher-autonomy fleets.

In VA, innovation is focused on expanding from component supply towards more complete repair solutions for distributors and workshops. SKF Vertevo develops integrated kits, application-specific tools, fitting support, technical repair guidance and digital catalogue coverage across the core and adjacent categories: bearings, wheel-end bearings, seals, powertrains, drivelines, brakes as well as steering and suspension applications. Compared with earlier component-led offerings, these more complete solutions are intended to reduce repair complexity, improve fitment accuracy, support faster workshop execution and strengthen customer reliance on SKF Vertevo's technical expertise and brand. A recent example is SKF Vertevo's fuel-saving wheel bearing for CVs, which received an innovation award at Automechanika Frankfurt 2026, an international trade fair for the automotive aftermarket. The product was independently evaluated using the European Commission's Vehicle Energy Consumption Calculation Tool (VECTO)[1] and demonstrated up to 63 per cent lower friction and up to 3 per cent lower fuel consumption compared with selected aftermarket alternatives. This proof point highlights SKF Vertevo's capability to translate OE-derived low-friction technologies and engineering expertise into aftermarket solutions that improve fleet efficiency, reduce total cost of ownership and support lower CO_2 emissions.

SKF Vertevo also draws on experience from high-performance and motorsport applications, where components are exposed to high speeds, high loads, temperature variation and demanding reliability requirements. This environment provides a platform for testing and refining advanced materials, designs, lubrication concepts and system-level solutions under extreme conditions. A recent example is the production of a wood-derived ceramic bushing, developed for Scuderia Ferrari HP, which converts sustainable sawdust into a silicon-carbide component that matches, or even exceeds in some cases, the performance limits of conventional ceramics, with more than 50 per cent less CO2 emissions. Building on a partnership that dates back to 1947, the project has received customer and industry recognition, during 2026, including Ferrari's Innovation Award for technical partners and a Professional Motorsport World innovation award. The resulting knowledge supports continuous product improvement and can be transferred into broader automotive applications where precision, durability and performance are critical.

1) A simulation tool developed by the European Commission for calculating the fuel consumption and CO_2 emissions of heavy-duty vehicles.

R&D roadmap

SKF Vertevo's R&D roadmap is focused on supporting the automotive industry's transition towards electrified, software-defined and increasingly autonomous vehicle architectures. Key priorities include improving energy efficiency, durability and system reliability, enabling higher rotational speeds and loads in electrified powertrain applications, reducing friction and NVH, advancing current management and electrical insulation technologies, increasing CV uptime, advancing design-to-X capabilities across cost, performance, manufacturability and sustainability. The roadmap is further supported by accelerating product development through simulation, virtual validation and digital engineering capabilities.

Wheel-end and hub-bearing solutions

R&D activities in wheel-end and hub-bearing solutions focus on enhancing bearing performance, robustness and efficiency for both conventional and electrified vehicle platforms. Key development areas include low-friction technologies, sealing and contamination protection, increased durability under demanding operating conditions, optimised NVH behaviour, materials and coatings, specialisations optimised for automotive applications and virtual validation methods to accelerate development and testing cycles. Particular emphasis is placed on addressing the increasing performance requirements of electrified vehicles while maintaining reliability and cost competitiveness.

E-powertrain, driveline and current management

SKF Vertevo is advancing technologies supporting next-generation e-powertrain and driveline applications. Development efforts focus on bearings as well as seals and current-management solutions supporting increasingly high-speed and high-power-density e-powertrain architectures, while mitigating electrical erosion risks and improving overall system efficiency. Key development areas include electrical insulation technologies, current-management solutions, advanced simulation methods, tribology, thermal management and solutions supporting the reliability and durability requirements of electrified propulsion systems.

Commercial vehicle and high-duty-cycle applications

For CVs and other high-duty-cycle applications, R&D activities are focused on reducing total cost of ownership through increased component life, energy efficiency, reliability and operational uptime. Current development areas include low-friction solutions, enhanced durability under high-load conditions, improved sealing and contamination protection, extended service intervals and technologies supporting increasingly connected fleet operations. Development programmes are supported by extensive testing, validation and application engineering capabilities to address the demanding operating conditions and lifecycle requirements of heavy-duty vehicle platforms.

Adjacent OE and VA applications

SKF Vertevo continues to evaluate and develop opportunities in adjacent OE and VA applications that leverage its core expertise in bearings, sealing systems, tribology, testing and validation. Development activities include selective expansion into applications adjacent to traditional wheel-end and driveline segments, including EMB solutions supporting the industry's transition towards brake-by-wire, as well as a broader electrical current management technologies for EVs. Additional focus areas include the application of advanced simulation, virtual validation and digital engineering capabilities to accelerate innovation and support future mobility requirements.

CUSTOMER RELATIONSHIPS AND SALES

SKF Vertevo's business is built on long-standing customer relationships across the Group's two primary channels, OE and VA, with distinct commercial models that are complementary across the vehicle lifecycle. OE co-development relationships provide application know-how, validation experience and product credibility, while VA channel relationships convert that credibility into recurring demand as the vehicle parc ages.

Original equipment

SKF Vertevo supplies global and regional OEMs and automotive Tier-1 suppliers across PVs, CVs, two-/three-wheelers and high-performance vehicles. OE products are engineered into vehicle platforms, validated to demanding customer specifications and supplied over multi-year production runs. Co-development is central to the model: SKF Vertevo engages customers from early engineering dialogue and concept selection through prototyping, validation, industrialisation and engineering-change management, across both ICE and EV platforms. On this basis, the Group has built long-term relationships with almost all major OEMs, most new EV OEMs and key automotive Tier-1 suppliers, supporting repeat nominations and technology roadmaps across successive platform generations. In 2024 and 2025, SKF Vertevo served an average of more than 420 OE customers per year.

Vehicle aftermarket

Following the separation, SKF Vertevo's VA business moves from primarily commercial responsibility to end-to-end accountability spanning portfolio, development, sourcing, planning, inventory, distribution, pricing, customer service and financial performance. In VA, SKF Vertevo serves distributors, buying groups, retailers, workshops, fleet operators and digital marketplaces in the independent aftermarket as well as OEMs for their own aftersales channels (OES), supporting recurring repair demand across the installed vehicle parc under the SKF brand. Long-standing relationships with distributors, workshops and fleet operators provide broad market access and customer proximity, supporting SKF Vertevo's ability to introduce new products, expand into adjacent categories and respond to evolving customer needs. The VA business also provides a route into adjacent repair categories, often linked to existing repair events, where SKF Vertevo can leverage its brand, distribution network and technical credibility to increase customer relevance and participation across the repair process. Reflecting an aftermarket shifting from spare-part supply towards complete repair solutions, SKF Vertevo increasingly pairs OE-derived parts with fitment data, technical content and repair support.

SKF Vertevo supplies the VA with a wide range of spare parts, both directly and through a network of more than 9,000 VA customers. The Group offers more than 50,000 SKUs, providing complete repair solutions across a wide variety of automotive makers and models. Managing more than 50,000 SKUs across platforms, variants, vehicle parcs, repair events and digital catalogues requires extensive application knowledge and data discipline. SKF Vertevo's distribution infrastructure in VA includes 25 warehouses and nine kitting centres, supporting product availability, kit assembly and efficient fulfilment across its aftermarket network.



Selling process

SKF Vertevo's sales process supports the full product lifecycle from pre-development through series production and aftermarket support. For mature OE technologies, the process typically starts with a request for quotation or a technical dialogue with the customer. The Group then develops a customer-specific technical and commercial proposal, aligns on application requirements, cost assumptions, validation needs and industrialisation approach, and negotiates programme terms. Once nominated, the product is developed, validated, industrialised and supplied during the customer's production period, with engineering changes managed through formal change processes.

For innovations and new technologies, the sales process begins earlier in the customer's vehicle architecture or application design phase. SKF Vertevo seeks to influence product and system specifications by demonstrating the value of its innovation and engineering know-how, including efficiency, durability, friction reduction, electrical robustness, installation quality and lifecycle performance. Early collaboration can increase the likelihood of nomination and improve value creation for both customer and supplier.

For VA, the selling process is driven by vehicle parc analysis, repair demand, product range management, catalogue data, availability, pricing and customer support. The Group identifies range gaps, validates product fitment, creates kit solutions, prepares technical information, launches products through distributors and digital channels, and supports workshops with training and installation content.

Application engineering

Application engineering is a key differentiator of SKF Vertevo's selling process. Early customer involvement is central to the application engineering approach. By combining bearing expertise with a deep understanding of customer applications, SKF Vertevo supports the design of efficient, reliable, and sustainable mobility solutions. The engineers work very closely with customers in all major automotive regions and, in certain cases, act as resident engineers on-site, ensuring local proximity, fast response times, and solutions tailored to regional requirements, regulations, and market needs. At the same time, they are fully integrated with all main functions within SKF Vertevo, including the Sales Regions, Business Lines & Product Management function, R&D, the Manufacturing Operations, Quality & EHS function and Procurement & Supply Chain function. The focus is on creating value by solving customer challenges, driving innovation and delivering measurable performance benefits throughout the vehicle lifecycle. In OE, this supports early-stage concept work, RFQ responses, nomination processes and launch execution. In VA, application engineering supports fitment accuracy, repair-solution design, installation guidance, workshop support and feedback into product development.

Original equipment sales organisation

The sales organisation works closely with R&D, the Business Lines & Product Management function, the Manufacturing Operations, Quality & EHS function and the Procurement & Supply Chain function. It also works with the Customer Project Management and Programme Management Office on customer programmes. In OE, sales and application engineering teams coordinate customer requirements, technical feasibility, quotation assumptions, nomination processes and commercial negotiations. The organisation is regionalised with strong presence in all key automotive hubs globally. The sales organisation gathers competitive intelligence and monitors customer demand, which supports the Group's ability to respond to changes in market conditions. Short lead times and end-to-end cross-functional processes enabling a rapid response to customer requirements are, in the Group's assessment, important factors for its competitive position.

Key account management and global account management

Key Account Management and Global Account Management are essential functions to building long-term strategic partnerships with automotive customers. By maintaining a deep understanding of customer strategies, business priorities, and future mobility trends, the functions support SKF Vertevo in delivering value far beyond individual products or projects. Acting as the central interface between the customer and the global organisation, they align commercial, technical, quality, and operational resources to support sustainable growth and mutual success.

With dedicated regional and global account leadership, the functions combine local proximity and market understanding with a coordinated worldwide approach. This enables SKF Vertevo to support customers consistently across all regions, vehicle platforms, and development centres while adapting to local requirements and market dynamics. The focus is on strengthening customer relationships, identifying new opportunities, fostering innovation, and creating long-term value through established partnerships and global collaboration.

Vehicle aftermarket sales organisation

The VA commercial organisation reflects the different requirements, sales cycles and channel dynamics of VA customers. Unlike OE, where sales are primarily linked to vehicle programmes and platform nominations, VA commercial execution focuses on portfolio coverage, market penetration, product availability, fitment accuracy, customer support and channel development.

Since 2025, SKF Vertevo's VA business has been organised as one global organisation with a common strategy and governance across all VA markets, while local teams adapt the portfolio to regional vehicles, repair needs and price points. VA sales teams are supported by capabilities in product management, portfolio development, product and catalogue data, distribution, marketing, product training, technical support and channel management. Together, these capabilities support product launches and range expansion, product availability, accurate fitment information and consistent commercial execution and customer support across channels and geographies. The VA commercial organisation is responsible for commercial performance and customer outcomes end to end: Commercial teams are responsible for channel development; Product Management is responsible for range and lifecycle profitability; Procurement is responsible for sourcing performance; Supply Chain is responsible for planning and fulfilment; and Warehousing is responsible for delivery reliability. To further improve price management, SKF Vertevo adapts price points and specifications as vehicles mature, differentiates pricing by product, market and channel, and strengthens price, rebate and margin governance.

Customer experience and customer support

Customer Experience ("**CX**") is a critical function, acting globally as a key interface between customers and the wider organisation.

CX activities span customer support, order management, product information, availability inquiries, technical support coordination, issue resolution and customer feedback management. CX works cross-functionally with colleagues responsible for commercial activities, product management, supply chain, training, technical support and digital solutions to ensure a consistent customer experience.

CX also provides customer insight on availability requirements, demand trends and service expectations, supporting forecasting, planning and digital improvements across the value chain.

PROCUREMENT

Procurement and sourcing

SKF Vertevo relies on a global supplier base for raw materials, components, purchased finished goods, packaging, logistics, energy, tooling, equipment and services. Its principal purchased categories include processed bearing components, such as rings, rollers, balls, seals and cages, as well as bearings, selected power-transmission and aftermarket components, raw materials, lubricants and chemicals, packaging, production equipment, maintenance-related products and services, freight and warehousing services.

The procurement team within the Group's Procurement & Supply Chain function defines and executes sourcing strategies, selects and nominates suppliers and negotiates pricing, volumes and contractual terms within approved authority levels. It also undertakes cost-reduction, dual-sourcing and supply-risk-mitigation activities. Supplier requirements address delivery, cost, quality, sustainability, responsible sourcing and compliance with applicable legal, regulatory and customer requirements.

Supplier management and resilience

The procurement team actively manages and drives supplier performance and manages commercial and operational escalations in cooperation with SKF Vertevo's full value chain. Depending on the nature of an issue, actions may include supplier claims, recovery plans, corrective actions or the qualification of alternative sources. The procurement team also works with the relevant functions to align supplier capacity and material availability with customer programmes, production requirements and changes in demand.

Responsible sourcing is integrated into supplier management through supplier requirements and relevant Group governance documents, including in relation to supplier sustainability and conflict minerals. The procurement team works with colleagues responsible for sustainability and supplier quality to identify and address supplier-related risks and support compliance across the supplier base.

As a standalone company, SKF Vertevo's procurement strategy aims to optimise and consolidate the supplier base into a more automotive-adapted set-up. The strategy includes both global sub-suppliers with capabilities across most regions where SKF Vertevo operates and regionally strong sub-suppliers. A dual-source approach is applied to optimise competitiveness and risk resilience. In addition to this, SKF Vertevo is strengthening its capabilities across core areas within direct material procurement such as should-cost analysis and supplier development. Furthermore, the procurement team is also working to enhance its capabilities across strategic indirect categories, including logistics and production equipment, to support SKF Vertevo's supply chain transformation and evolving manufacturing needs. These strategies are intended to support cost competitiveness, quality, continuity of supply and responsiveness to changes in customer demand, capacity, tariffs and logistics conditions. Sourcing decisions are supported by documented approval and escalation processes. The quality-assurance aspects of supplier qualification and ongoing supplier monitoring are described under "*Supplier quality management*" below.

MANUFACTURING

Manufacturing activities are managed within the Group's Manufacturing Operations, Quality & EHS function. SKF Vertevo's manufacturing network supports OE and VA customers through a combination of global standards, regional manufacturing, customer proximity and specialised process know-how. The Group manufactures bearing and related products for wheel-end, powertrain, drive control and aftermarket applications, supported by quality systems, process control, supplier management and industrialisation capabilities.

Manufacturing footprint and geo-flexibility

SKF Vertevo operates a global and geo-flexible manufacturing footprint across key automotive regions, supported by R&D, testing, logistics and commercial locations close to customers. As of 30 September 2026, SKF Vertevo had factories in Brazil, China, France, Germany, India, Indonesia, Italy, Mexico, Spain and Ukraine. This footprint enables SKF Vertevo to serve global OEM platforms and VA distribution needs, while maintaining proximity to key automotive hubs and regional customer requirements.

SKF Vertevo's manufacturing footprint is designed to support a geo-flexible, multi-origin supply model complementing a purely local-for-local approach. Customers can be supplied from the most suitable qualified regional hub as demand patterns, capacity requirements, tariffs or logistics conditions change. Qualified alternative supply routes across India, China, Mexico, Brazil and other locations provide delivery optionality and support continuity of supply. This geo-flexibility is expected to improve responsiveness to customer requirements, shorten lead times, reduce logistics exposure, increase supply chain resilience and provide optionality to balance capacity across regions as demand evolves in PVs, CVs and the VA.

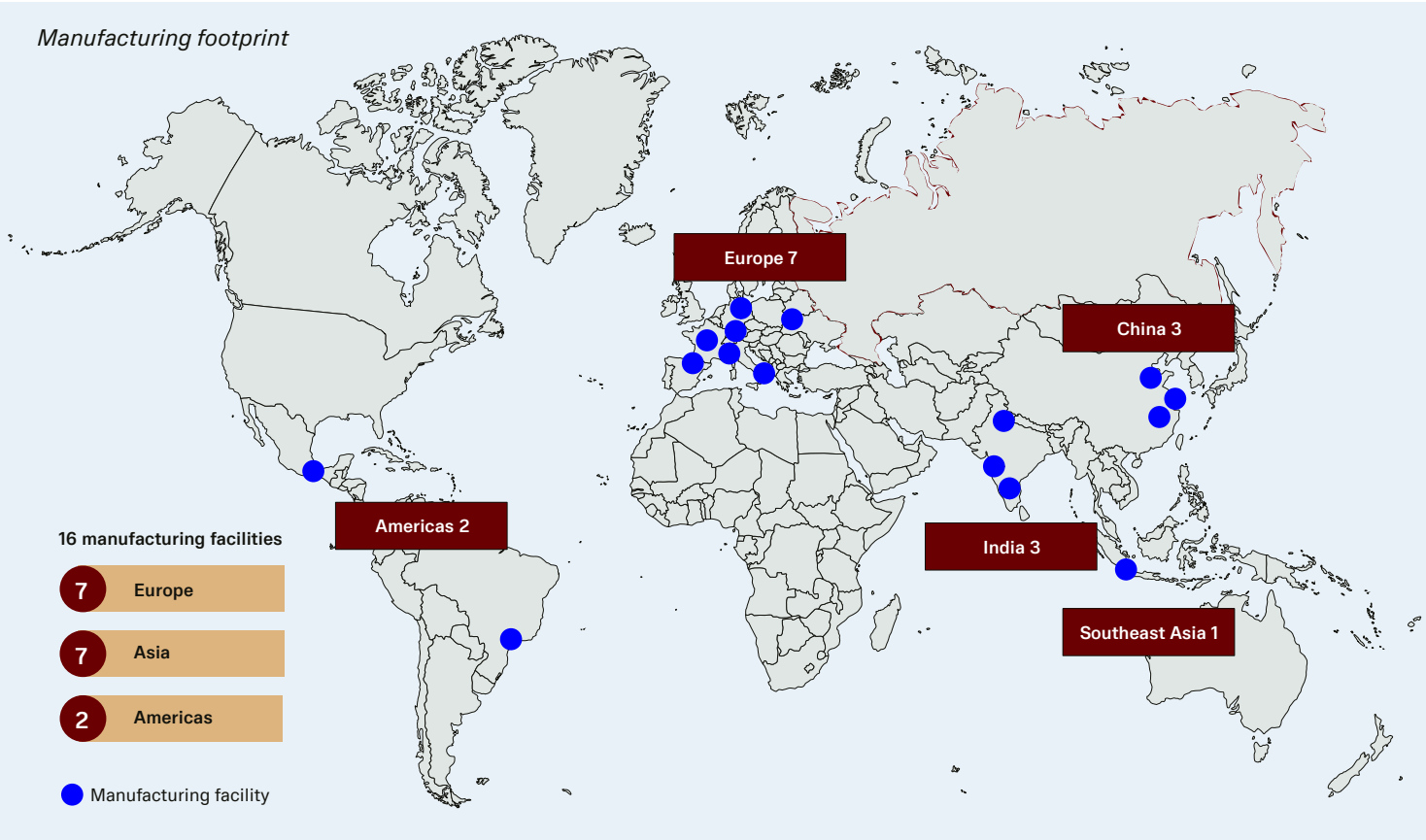
The resilience of SKF Vertevo's manufacturing model has been demonstrated during recent external disruptions, such as the COVID-19 pandemic and the war in Ukraine, illustrating the value of its multi-origin manufacturing footprint and its ability to adapt production flows while preserving delivery reliability.

SKF Vertevo is expected to start from a manufacturing and supply-chain platform that has already benefited from SKF Group investment and footprint actions. In recent years, the SKF Group has made regionalisation and footprint optimisation a central part of its strategy, investing in automation, regionalisation and rationalisation to build more competitive and resilient regional value chains, improve customer lead times and availability and strengthen cost competitiveness.

Several of these footprint actions are directly relevant to SKF Vertevo's business. For example, SKF transferred supply from its Busan, Korea factory, which mainly manufactured bearing products for its automotive business, to SKF's factories in Puebla, Mexico, Pune, India and Shanghai ATC, China. SKF described the transfer as bringing the business closer to existing customers, enabling new local business opportunities and supporting the automotive business strategy and portfolio repositioning towards EV drivetrain and CV categories.

India is expected to play an increasingly important role in SKF Vertevo's manufacturing footprint. The Group is making targeted capacity investments across its Indian manufacturing network to support regional demand and selected global platforms, including wheel-end and powertrain-related bearing applications for two-/three-wheelers, PVs, CVs and electrified platforms. These investments are intended to strengthen customer proximity in a growing automotive market, increase supply flexibility and support SKF Vertevo's broader geo-flexible manufacturing model.

Manufacturing footprint



Manufacturing excellence and operational improvement

SKF Vertevo applies common technology, quality and manufacturing standards across its manufacturing network through the SKF Vertevo Production System (**"SPS"**). The system is intended to support consistent product performance, launch execution, customer service, safety, quality, cost discipline and continuous improvement across regions. SPS has evolved from SKF's Lean manufacturing, maintenance excellence and Business Excellence practices and has been adapted to SKF Vertevo's operations. Under SPS, Lean focuses on customer value, flow and resource efficiency, elimination of waste and variation, and continuous improvement. SPS is deployed through baseline assessments, annual planning, daily management and the application of common tools and methods.

SKF Vertevo's manufacturing strategy combines the Lean way of working embedded in SPS with green and digital initiatives. Green initiatives focus on reducing carbon emissions and improving energy and material efficiency and circularity in manufacturing. Digital manufacturing focuses on intelligent, connected and automated production, including digital process control, AI-enabled quality prediction and predictive and preventive maintenance. Digital initiatives may include automated manufacturing and material-handling solutions, including automated guided vehicles (AGVs), where deployed.

The priorities under SPS are safety, quality, delivery, cost, working climate and environment. Daily management, master-plan reviews and reviews of certain performance indicators are used to monitor performance, identify deviations and initiate corrective measures or structured problem-solving where required.

As of 30 September 2026, nine of SKF Vertevo's 16 manufacturing facilities had progressed to a stage where Lean behaviours and practices were being expanded across factory operations. SKF Vertevo aims to achieve this level of implementation across all manufacturing units by 2028.

Footprint optimisation

SKF Vertevo continuously reviews its manufacturing footprint and production allocation to improve utilisation, productivity and cost competitiveness. As a dedicated automotive organisation, SKF Vertevo is expected to make footprint, capacity and industrialisation decisions with clearer accountability, fewer interfaces and faster resource allocation. The Group is continuously seeking to optimise its manufacturing and logistics network by increasing capacity utilisation, reducing complexity, strengthening geo-flexibility, aligning production with profitable growth segments, improving sourcing flexibility, reducing the margin impact of transitional contract manufacturing over time and strengthening pricing and portfolio management. The Group also relocates production assets to sites with higher demand over time to improve capacity utilisation and asset efficiency.

Instead of relying on a strict local-for-local model, SKF Vertevo intends to use a geo-flexible, multi-origin supply model. Customers can be supplied from the most suitable qualified regional hub as demand, capacity, tariffs and logistics conditions change. Qualified alternative supply routes across India, China, Mexico, Brazil, Europe and other locations provide delivery optionality and support continuity of supply.

SUPPLY CHAIN

Within the Group's Procurement & Supply Chain function, the supply chain team orchestrates demand and supply across the value chain, leveraging sales and operations planning (**"S&OP"**) and an optimised logistic network to deliver customer service, optimise working capital and optimise logistic cost.

Planning and execution

SKF Vertevo manages demand and supply through S&OP and sales and operations execution (**"S&OE"**). These processes coordinate planning decisions among relevant teams in the Business Lines & Product Management function, the Sales Regions, the Manufacturing Operations, Vehicle Aftermarket, Quality & EHS function and the Procurement & Supply Chain function, with the aim of establishing one consolidated volume plan for the Group. Planning covers expected customer demand, manufacturing and supplier capacity, product mix, allocation priorities, material availability and inventory requirements across OE and VA.

S&OP provides the framework for balancing demand and supply over the relevant planning horizon, while S&OE addresses shorter-term changes and operational deviations. Where demand, capacity or material availability changes, the relevant functions may implement rescheduling, reallocation, recovery plans and inventory-balancing actions. Volume, mix and allocation priorities are coordinated across plants, suppliers and markets, taking into account customer commitments, technical and commercial requirements and operational constraints.

Inventory targets and safety-stock levels are determined with regard to customer-service requirements, lead times, demand segmentation, product characteristics and identified supply risks. Inventory is positioned and balanced across the network with the aim of supporting delivery reliability and product availability while seeking to proactively optimise net working capital (trade receivables plus inventories minus trade payables) and inventory quality. Planning and execution are supported by regular reviews of demand, supply, inventory and delivery deviations, with corrective actions coordinated across the relevant functions.

Distribution network and fulfilment

SKF Vertevo's distribution network comprises regional warehouses, kitting centres, logistics hubs and customer-dedicated local stock locations. Regional warehouses and kitting centres play a key role in supporting product availability, kit assembly, inventory optimisation and customer service levels in the aftermarket. For example, the automation of the regional warehouse in Crossville, United States, which has been in operation since March 2025, reduced order processing time from 48 to 24 hours and damage to goods in the warehouse by 98 per cent.[1)]

The OE network is primarily designed to support scheduled deliveries to customer production locations, including applicable sequencing and packaging requirements. In the aftermarket, the network supports broad product availability, kit assembly and fulfilment to distributors and workshops, together with the product and catalogue information required to serve a wide range of vehicle applications.

The Group manages inbound and outbound material flows with the aim of balancing service levels, lead times, capital and costs.

1) Calculated over the first twelve months of operation.

Transportation management, inventory planning, warehouse operations, kitting centre management and aftermarket fulfilment are supported through shared Group service structures.

Regional warehousing and customer-proximate stock support shorter response times and continuity of supply. Qualified cross-regional flows may also be used where customer requirements, production capacity, tariffs, logistics conditions or other supply constraints change.

The supply-chain team coordinates with the procurement team and with relevant teams in the Business Lines & Product Management function, Vehicle Aftermarket, the Sales Regions and the Manufacturing Operations, Quality & EHS function to address material shortages, capacity constraints, delivery deviations and changes in demand. The network and planning model are intended to support reliable delivery to OE customers, product availability in VA and the ability to adapt material flows and inventory positions as market and supply conditions evolve. The distribution network also supports deliveries across the Group's international customer base.

Supply chain transformation

SKF Vertevo's supply chain is being transformed from a hybrid industrial and automotive model, reflecting its heritage within the SKF Group, into a supply chain dedicated to and optimised for automotive requirements. The current set-up carries greater complexity than a pure-automotive model, and SKF Vertevo regards supply chain optimisation as an important lever to reduce complexity, handling steps and logistics cost. Initiatives underway include shifting from outbound deliveries towards customer pick-ups, reducing intercontinental material flows and redesigning packaging concepts, underpinned by a newly launched digital twin of the supply chain network for further optimisation. These initiatives are expected, over time and subject to successful execution, to lower logistics cost, improve service levels, optimise working capital as well as strengthen resilience and sustainability efforts.

QUALITY

Quality management

Quality management forms part of the Group's Manufacturing Operations, Quality & EHS function and is central to SKF Vertevo's business model. Products used in safety-relevant and performance-critical automotive applications require robust design, validation, process control, traceability, supplier quality, customer approval and field-performance monitoring. Quality activities typically cover product and process development, production-part approval, incoming and manufacturing inspection, process audits, statistical process control, product testing, change management, customer audits, warranty analysis and corrective-action management. Quality is also a commercial differentiator because customers rely on suppliers to maintain consistent performance across global platforms and long product lifecycles. In VA, quality management additionally supports fitment accuracy, kit completeness, technical documentation, externally sourced products and the overall customer experience associated with repair solutions supplied through distribution channels.

Built-in quality across the product lifecycle

SKF Vertevo seeks to build quality into product and process development, industrialisation and manufacturing rather than rely solely on inspection after production. Quality requirements are addressed through design and process validation, customer-specific quality planning, production-part approval, defined process controls and launch-readiness activities. Common quality and operational standards are intended to support consistent execution across



plants and regions, while customer-specific requirements are addressed through application-specific validation, approval and change-management processes.

The approach is intended to identify quality risks and deviations as close to their source as practicable and to avoid defects being passed to subsequent process steps or customers. Traceability, standardised working methods and risk management support early identification of risks or deviations and timely action. Quality therefore applies throughout the value chain, including R&D, supplier qualification, industrialisation, manufacturing, delivery and field performance. Within the VA business, dedicated quality teams work with colleagues responsible for product management, demand planning and supply chain, as well as with warehouses, kitting centres and external suppliers, to maintain consistent quality standards across both internally manufactured and externally sourced products.

Quality performance and customer feedback

Quality performance is monitored using indicators relating to cost of non-quality, including scrap and warranty cost and customer complaints. Customer complaints, warranty information, field-performance data and findings from product and process controls are used to identify deviations and support quality improvement.

Depending on the nature and materiality of an issue, the relevant functions may implement containment measures, corrective actions, process changes and structured problem-solving. Actions may include containment of affected material, investigation of the deviation, implementation of process or product changes and monitoring of the response. Material quality, safety or compliance matters are escalated in accordance with applicable governance processes.

Supplier quality management

SKF Vertevo manages supplier quality through a structured process covering supplier audits, qualification and approval, quality assessments that support sourcing decisions, ongoing performance monitoring and supplier scorecards. Depending on the supplier, component and manufacturing process, assessments may include external or second-party audits, reviews of supplier quality-management systems, audits of relevant special processes and production-readiness or run-at-rate assessments.

Supplier qualification is intended to assess whether the supplier has the systems, processes, technical capabilities and production readiness required to meet SKF Vertevo's and its customers' requirements. Quality requirements and results form an important part of sourcing decisions.

Following approval, supplier performance is monitored through quality indicators, supplier-related complaints, periodic performance evaluations, on-site audits and scorecards. Quality deviations may result in escalation, containment measures, corrective actions and structured problem-solving or re-sourcing. Relevant teams within the Manufacturing Operations, Quality & EHS function and the Procurement & Supply Chain function work together to address supplier-related quality risks, support continuity of supply and monitor completion of agreed actions.

SUSTAINABILITY

Sustainability approach

Building on decades of strong sustainability focus and performance as part of the SKF Group, SKF Vertevo as a standalone company remains committed to embedding sustainability in its overall organisation, corporate strategy and Code of Conduct. The Group believes this creates long-term value for customers, investors, employees, business partners and society at large. SKF Vertevo aims to drive positive change for customers, the environment and people based on two overall sustainability objectives:

- Preventing or reducing negative impacts and risks in the Group's own operations and its value chain through efficient and responsible processes and business practices.
- Enhancing positive impacts and opportunities as an integrated part of value creation through products, services and business models.

Based on an assessment of the ESG impacts, risks and opportunities, SKF Vertevo's sustainability work builds on three focus areas: climate transformation, circularity, and responsible business. The Group has an integrated sustainability approach with shared ownership of the sustainability focus areas and initiatives supporting the sustainability objectives across the organisation, underpinned by interconnected Group policies, Group directives, Group standards, procedures and guidelines. This approach aims to ensure that sustainability considerations are systematically integrated into all relevant business operations, processes and decisions.

SKF Vertevo endorses internationally recognised principles, charters and guidelines which promote sustainable and ethical business practices including, but not limited to, The United Nations Global Compact Ten Principles, The United Nations Guiding Principles on Business and Human Rights, The International Labour Organization Core Conventions, The International Labour Organization Declaration on Fundamental Principles and Rights at Work, The Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises, The International Bill of Human Rights, and The Paris Agreement.

Sustainable product offering

SKF Vertevo's main contribution to sustainable development is through its offering of products and services that help OE and VA customers improve energy efficiency, reliability, durability, safety and uptime, while supporting the transition towards electrified, cleaner and more efficient mobility. The Group's offering is designed to reduce friction and energy losses, improve resource efficiency, enable compact designs and extend vehicle lifetime. The OE product portfolio is aligned with the shift towards electric and more efficient vehicle platforms. Furthermore, the VA offering provides availability of replacement components, technical training and services, supporting workshops and distributors in completing reliable repairs, reducing downtime and helping vehicles remain in operation for longer.

Sustainability in the operations

Operational environment, health and safety ("**EHS**") responsibilities are managed within the Group's Manufacturing Operations, Quality & EHS function. SKF Vertevo has a proactive approach to address impacts, risks and opportunities related to environmental, energy, health and safety aspects along the value chain. SKF Vertevo believes this approach not only reflects responsible leadership but also creates long-term value for all stakeholders. High-level principles are defined in SKF Vertevo's Environmental, Energy, Health and Safety Policy, while detailed procedures are implemented through the EHS management system to maintain consistency and effectiveness across all operations.

SKF Vertevo has a Zero Accidents commitment, which aims to avoid all workplace accidents and foster a culture of continuous improvements in relation to health and safety.

SKF Vertevo operates a Groupwide occupational health and safety management system certified to ISO 45001:2018 and an environmental management system globally certified to ISO 14001:2015. These management systems provide a structured framework for complying with legal and Group requirements, addressing customer and stakeholder expectations, and pursuing systematic and continuous improvements. SKF Vertevo also has an energy management system certified to ISO 50001:2018 which drives continual improvements in energy performance.

A climate change adaptation process is in place, which consists of mapping climate risk exposures to SKF Vertevo sites, followed by development and implementation of climate change adaptation plans.

Responsible and ethical business conduct

Responsible and ethical business conduct is a cornerstone of SKF Vertevo's culture. It is guided by the Group's Code of Conduct, which serves as the foundation for ethical, responsible, and sustainable operations across the global organisation. The Code of Conduct is applicable to all employees and all individuals working at or on behalf of the Group. All employees receive training on the Code of Conduct and other areas such as anti-corruption. Any violations of the Code of Conduct can be reported through SKF Vertevo's global whistleblowing channel, and whistleblowers are protected from retaliation.

SKF Vertevo actively collaborates with suppliers and customers to promote responsible business conduct throughout the value chain. This includes improving working conditions, fostering ethical business practices, and ensuring respect for human rights both upstream and downstream. This work is supported by SKF Vertevo's Code of Conduct for Suppliers and Code of Conduct for Distributors, respectively. Any violations of the Code of Conduct for Suppliers can also be reported through SKF Vertevo's global whistleblowing channel, and also here the whistleblowers are protected from retaliation.

SKF Vertevo addresses potential and actual negative impacts on value chain workers through its Responsible Sourcing Programme, which includes structured risk assessments, supplier audits, and escalation procedures.

Wellbeing and inclusion

Employee wellbeing is an important part of SKF Vertevo's people agenda. The Group promotes physical, mental and social wellbeing through a safe and healthy work environment, learning and development opportunities, and initiatives that support sustainable ways of working. Employee engagement is regularly measured through employee surveys, with insights used to support continuous improvement and create a workplace where employees can thrive and contribute to the long-term success of the business.

SKF Vertevo is committed to fostering an inclusive workplace where all employees are treated with respect and provided with equal opportunities to contribute, develop and succeed. The Group believes that a broad range of perspectives and experiences strengthen innovation, collaboration and business performance, and therefore strives to maintain an inclusive culture where individuals feel valued and empowered.

Climate targets

SKF Vertevo bases its climate targets and strategy on science and is committed to the Paris Agreement's 1.5°C scenario. As part of the SKF Group, SKF Vertevo has reported and reduced GHG emissions (Scope 1 and 2) since the early 2000s, consistently decoupling revenue growth from its own climate impact. SKF Vertevo assesses its GHG emissions in accordance with the GHG Protocol framework. Scope 1 comprises direct emissions from sources owned or controlled by SKF Vertevo, such as the use of fossil fuels in its own equipment and operations. Scope 2 comprises indirect emissions from purchased energy, including emissions associated with purchased electricity. Scope 3 comprises other indirect emissions arising across the Group's value chain, including emissions associated with purchased steel and logistics. As a standalone company, SKF Vertevo has reconfirmed its climate targets to achieve decarbonised operations (a 95 per cent reduction of Scope 1 and 2 GHG emissions compared to 2019) by 2030 and a net-zero value chain by 2050. Interim targets include a 32 per cent reduction of GHG emissions from purchased goods and services (Scope 3 category 1) and a 35 per cent reduction of GHG emissions from upstream transportation and distribution (Scope 3 category 4), by 2030 compared to 2019. SKF Vertevo has submitted these targets to the Science Based Targets initiative (SBTi) for revalidation as a standalone company.

ORGANISATION AND EMPLOYEES

Organisation

SKF Vertevo is the ultimate parent company of the Group, which comprises 36 legal entities in 28 countries (see "*Note 26 – Combined entities*" on page F-51 in "*Historical financial statements*") and conducts operations in approximately 40 countries. As a standalone company, SKF Vertevo operates a dedicated automotive organisation with its own leadership, global functions and regional structure, established through the separation from SKF and tailored to the requirements of its automotive customers.

The separation has enabled SKF Vertevo to simplify its organisation and adopt a flatter operating structure. The organisation is intended to operate with three fewer management layers than before the separation, shortening decision paths, bringing leadership closer to customers and supporting the faster execution that is central to the Group's strategy.

SKF Vertevo's workforce is deployed across a global, geo-flexible footprint that balances customer proximity with cost efficiency. Over 65 per cent of workers are located in best-cost countries, meaning countries that offer a favourable balance of cost competitiveness, quality and proximity to customer demand, supporting a competitive cost base while maintaining supply resilience and service levels.

SKF Vertevo conducts a significant portion of its operations through its subsidiaries. Accordingly, its ability to generate cash flows and meet its financial obligations, including the payment of dividends and servicing of debt, is to a significant extent dependent on the receipt of dividends and other distributions from its subsidiaries.

Organisation structure[*)]



*) Sustainability is managed cross-functionally across the Group, with a dedicated Sustainability team within Business Lines & Product Management.

Information about the issuer

The legal name of the Company (and its commercial name) is SKF Vertevo AB (publ). SKF Vertevo's Swedish corporate ID No. is 559505-9022 and the registered office of the Board of Directors is situated in Gothenburg, Sweden. The Company was incorporated in Sweden on 29 October 2024 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 20 November 2024. The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) governed by the Swedish Companies Act. SKF Vertevo's LEI code is 636700IK9V7O68VGRA55.

SKF Vertevo's address is Sven Wingquists Gata 2, SE-415 05 Gothenburg, Sweden (telephone number +46 31 726 10 00). The website of SKF Vertevo is www.skfvertevo.com. The information on the website does not form part of this prospectus.

Culture

SKF Vertevo's culture is shaped by its history within the SKF Group and by its focus on the automotive sector. Employees across the organisation contribute expertise in engineering, manufacturing, R&D, sales and other business functions, supporting customers in multiple markets and regions.

The Group's working environment is based on health and safety, respect, accountability and equal opportunity. These principles are supported through established policies, procedures and management processes applicable across the organisation. SKF Vertevo seeks to foster a culture of accountability and performance, supported by a performance management framework that includes both individual and team goals aligned with business objectives. Progress towards these goals is regularly reviewed to support transparency, alignment and execution across the organisation.

A significant proportion of SKF Vertevo's workforce transferred from the SKF Group in connection with the separation, providing continuity of automotive-sector experience and operational knowledge.

Collaboration across functions and geographies forms part of SKF Vertevo's operating model. Employees work together on product development, manufacturing, commercial activities and customer support to address customer requirements and business objectives.

The Group supports employee development through training, professional development initiatives and knowledge-sharing activities. SKF Vertevo also monitors employee feedback through regular employee surveys. A recent survey conducted in June 2026 indicated that the highest scoring areas were collaboration among colleagues, clarity of goals and expectations, meaningfulness of work, and inclusion and belonging across the organisation.

Employees

Employees by geographic area (as of 30 September 2026)

EMEA	Americas	APAC excl. India	India
3,741	1,228	1,421	1,045

Employees by function (as of 30 September 2026)

Logistics	Administration	General HQ	Sales	Manufacturing	Other
504	271	1,039	637	4,952	32

FUNDING AND BORROWING STRUCTURE

As part of the SKF Group, SKF Vertevo has been financed primarily through equity and intra-group loans from SKF. Ahead of the separation, SKF Vertevo has transitioned to a standalone financing structure. As a step in this transition, SKF made an unconditional shareholder contribution of BSEK 3.0 to SKF Vertevo in September 2026.

The Group's net debt as per 30 September 2026 amounted to MSEK 2,488, corresponding to net debt/equity of 19.1 per cent and net debt/adjusted EBITDA of 1.5x. In preparation for the distribution and listing of SKF Vertevo, an additional capital contribution from SKF amounting to BSEK 3.6 was made in the form of an unconditional shareholder contribution in October 2026, in order to capitalise SKF Vertevo to the desired net debt of SEK 0, considering certain post-listing transactions. Neither dividend payments nor capital contributions between SKF Vertevo and SKF have been made after October 2026 (or will be made prior to the listing), meaning that subsequent cash flow generated in SKF Vertevo remains in SKF Vertevo. After the listing of the Company's shares, there will be no loans outstanding between SKF Vertevo and SKF. However, there will be trade payables and trade receivables outstanding in the ordinary course of business. For general corporate purposes, SKF Vertevo has entered into a syndicated revolving credit facility of MEUR 400 and has entered into term loan agreements of approximately MSEK 1,650 prior to the listing.

Revolving credit facility

In August 2026, SKF Vertevo entered into a MEUR 400 (approximately BSEK 4.5) multicurrency revolving credit facility agreement (incorporating a BSEK 1.5 swingline facility) with SEB as original lender and original swingline lender and, following syndication of the facility in October 2026, with seven additional banks as additional lenders and additional swingline lender (as applicable). The tenor of the facility is three years (with two extension options, in each lenders' sole discretion) and, in addition to EUR, the available currencies are SEK and USD. The revolving credit facility agreement is subject to a financial covenant requiring SKF Vertevo's leverage ratio not to exceed a specified level. The revolving credit facility agreement does not contain any dividend restrictions. At the time of the prospectus, the Company has no credit drawn under the facility.

Term loans

In October 2026 SKF Vertevo entered into a term loan facility agreement of MEUR 50 (approximately MSEK 550) with Svensk Exportkredit as lender, on terms in parts substantially based on the revolving credit facility agreement described above. Similar to the revolving credit facility, the facility has a three-year tenor (with two extension options, each exercisable at the lender's sole discretion), is subject to a financial covenant requiring the leverage ratio not to exceed a specified level, and does not contain any restrictions on dividend distributions.

1) See also "*Financial information–Key performance indicators*".
2) The ratio of net debt to EBITDA.

In addition, in October 2026 SKF Vertevo's subsidiary SKF Automotive (Shanghai) Co., Ltd. (**"SKF Automotive Shanghai"**) entered into a term loan facility agreement of MCNY 760 (approximately BSEK 1.1) with Bank of China Limited Shanghai Jiading Sub-branch as lender for the purpose of financing certain intra-group acquisition by SKF Automotive Shanghai in connection with the separation of SKF Vertevo from the SKF Group. The tenor of the facility is ten years from the first utilisation date. SKF Vertevo has provided a parent company guarantee in favour of the lender in respect of the obligations of SKF Automotive Shanghai under the facility. The facility agreement is subject to a financial covenant requiring the debt-to-asset ratio to not exceed a specified level and contain certain restrictions on dividend distributions by SKF Automotive Shanghai.

Material changes to the funding and borrowing structure after 30 September 2026

Other than the term loans entered into by SKF Vertevo in October 2026, the syndication of the revolving credit facility and the additional capital contribution from SKF, as described above, there have been no material changes to the funding and borrowing structure after September 2026.

ONGOING AND FUTURE INVESTMENTS

As at the date of this prospectus, SKF Vertevo has material investments in progress, or for which firm commitments have already been made, amounting to approximately BSEK 0.9. These investments primarily relate to (i) the completion of a high-bay warehouse in Tongeren, Belgium, (ii) the construction and outfit of a new R&D technical centre in Bangalore, India, (iii) the relocation and installation of equipment in connection with the relocation of 15 production channels from SKF to SKF Vertevo in China, (iv) the relocation and commissioning of equipment from the manufacturing facility in Monterrey, Mexico, which was closed during 2026, (v) the adaptation and upgrade of the manufacturing facility in Bari, Italy, to automotive production and (vi) the expansion of production capacity in Pune, India. The investments are planned to be completed in 2027 and financed through existing cash resources and available financing facilities.

Overall, SKF Vertevo's capital expenditures are expected to amount to approximately BSEK 1.5 in 2027 (of which approximately BSEK 0.9 relates to residual investments from building a standalone company) and approximately BSEK 0.9 per year during 2028–2029. In addition, the continued optimisation of the Group's efficiency and cost competitiveness is expected to result in items affecting comparability[1)] of approximately BSEK –0.5 per year during 2027–2029, although specific measures to be implemented remain subject to further evaluation and no decisions have yet been taken. Actual amounts and the timing may vary depending on, among other things, the scope and implementation of the relevant initiatives.

TREND INFORMATION

Since 31 December 2025, market demand for SKF Vertevo products has remained weak in PVs, particularly in Europe, while CVs have shown signs of improvement, especially in the Americas and APAC. Aftermarket demand has shown resilience, while being temporarily impacted by separation related disturbances. SKF Vertevo has continued to adjust production capacity and costs to prevailing demand levels. The Group has continued to implement cost reductions and operational improvements across its manufacturing and supply chain operations, including measures relating to manufacturing efficiency, and logistics flows. Cost pressures from energy, material and logistic costs have increased during the period, while the Group has experienced a positive price/mix development, partly reflecting a higher share of VA sales.

Net working capital has remained elevated, reflecting, among other things, the operationalisation of the separation and the contract manufacturing arrangements with SKF. Contract manufacturing is a temporary arrangement during the transition to SKF Vertevo's own manufacturing capacity or alternative sourcing.

While geopolitical uncertainty remains elevated and global trade tensions continue to create volatility across parts of SKF Vertevo's markets, SKF Vertevo expects stable demand in the fourth quarter compared to the corresponding period last year.

1) See also "*Financial information–Key performance indicators*".



OPERATING AND FINANCIAL REVIEW

This section is intended to facilitate the understanding and assessment of trends and changes in SKF Vertevo's results of operations and financial position. The information below should be read in conjunction with "*Financial information*"[1] and the combined financial statements prepared in accordance with IFRS and presented in "*Historical financial statements*" beginning on page F-1. For information about the Group's accounting principles, please refer to "*Note 1- Significant accounting principles – assessments and assumptions for accounting purposes*" on page F-26 and onwards in "*Historical financial statements*". The majority of the functions and processes created to make SKF Vertevo an independent company, separate from SKF, have been implemented in 2025 and 2026. This means that the financial information is not fully representative in terms of the standalone costs related to these functions and processes. SKF Vertevo expects 2027 to be the first full financial year in which the costs associated with the newly established functions and processes will be fully reflected in its financial statements. Historical earnings do not provide any indication of future earnings. This section contains forward-looking statements. Such statements are based on estimates and assumptions and are subject to risks, uncertainties, and other factors. This includes, without limitation, those stated in "*Risk factors*". Moreover, the effect of unrest in the Middle East through the functioning of the Strait of Hormuz has been considered for potential impact of SKF Vertevo's operation. As markets are uncertain and may affect the forward-looking statements, see "*Risk factors–SKF Vertevo is exposed to risks related to geopolitical conditions*". These factors could cause SKF Vertevo's future operating profit, financial position or cash flows to deviate significantly from the information stated or indicated in such forward-looking statements (see also "*Important information–Forward-looking statements*").

OVERVIEW

SKF Vertevo is a global provider of customised automotive bearings and related products and solutions for PVs, including high-performance applications, as well as CVs, two-/three-wheelers and VA, with a diversified customer base and a broad operational footprint spanning R&D, manufacturing, logistics and commercial presence. Based on close and long-standing customer relationships, SKF Vertevo supports mobility applications where durability, precision, efficiency, noise and vibration performance and lifecycle reliability are critical. The Group combines more than a century of bearing engineering heritage with a premium brand application know-how, R&D capabilities spanning design, prototyping, testing and validation, high product quality and sustainability focus and a broad aftermarket distribution platform.

KEY FACTORS AFFECTING THE RESULTS OF OPERATIONS

SKF Vertevo's financial development has been, and will likely continue to be, affected by a number of factors, some of which are beyond SKF Vertevo's control. Presented below is a description of the key factors that SKF Vertevo considers to have affected the financial development during the periods addressed in this section and which can be expected to continue to affect SKF Vertevo's financial development in the future.

Original equipment and vehicle aftermarket development

The demand, order intake and sales for SKF Vertevo are dependent on the underlying development in the end markets in which SKF Vertevo operates. A significant portion of SKF Vertevo's end-market sales derive from OE, corresponding to 65 per cent of net sales in 2025 and 63 per cent of the Group's net sales for the nine-month period ended 30 September 2026. Market

1) See "*Financial information–Key performance indicators*" for information on alternative performance measures (APMs) included below.

dynamics for OE are linked to vehicle production volumes, which makes demand cyclical and exposed to factors outside SKF Vertevo's control. Should vehicle production volumes decline, this could potentially influence SKF Vertevo's sales, profitability and cash flow. Moreover, the growth rates of SKF Vertevo's various OE categories are driven by global megatrends. These include the EV transition, OEM sourcing preferences, autonomous driving and software-defined vehicles, as well as trends specific to vehicle type and geography within the OE market.

Furthermore, the demand, order intake and sales for SKF Vertevo depend on the fundamental development in the VA market, which accounted for 35 per cent of the Group's net sales in 2025 and 37 per cent of the Group's net sales for the nine-month period ended 30 September 2026. Demand in the VA segment follows different market dynamics than OE and is driven by less cyclical factors. An ageing and growing vehicle fleet[1)] gives rise to a continuous need for repairs. In addition, technical developments in the OE market increase repair complexity and the need for workshop support, which is further reinforced by digitalisation of aftermarket channels and interfaces. Together, these characteristics make demand in the VA segment more constant and recurring, which generally results in more predictable and stable sales, profitability and cash flow.

Geographical mix is also an important driver of SKF Vertevo's financial development. Market dynamics vary across regions in terms of market size and growth, depending on factors such as vehicle mix and price levels as well as prevailing trends. In 2025, EMEA, the Americas, APAC and India generated 44, 29, 18 and 9 per cent, respectively, of the Group's net sales. For the nine-month period ended 30 September 2026, EMEA accounted for 44 per cent of the Group's net sales, followed by the Americas with 30 per cent, APAC with 18 per cent and India with 8 per cent. For a more detailed description of key drivers of demand that are expected to impact SKF Vertevo's financial development, see "*Business description–Market overview*".

Product mix and price management

SKF Vertevo's sales, profitability and cash flow are affected by its product mix and price management. Price levels are influenced by different factors in OE and VA. The OE market is competitive, and OEM sourcing decisions increasingly favour lower-cost alternatives, which may put pressure on prices and margins. At the same time, the transition to EVs and autonomous driving and software-defined vehicles places more demanding technical requirements on bearings and related components, which supports price levels for more advanced products. In the VA market, customers increasingly require fit-for-purpose solutions at several price points to keep repairs affordable and accessible throughout the vehicle lifecycle, which results in a wider range of price levels. Beyond pricing, the OE and VA markets differ in margin profile and degree of recurring revenue. These pricing, margin and recurring revenue characteristics also vary across geographies, vehicle types and individual platforms. Shifts in demand between products and markets may therefore alter the overall product mix and, in turn, the Group's financial performance.

SKF Vertevo evaluates its product portfolio and commercial focus on an ongoing basis, with the aim of prioritising the products, customer programmes and market opportunities that support profitable growth. As part of this work, the sales organisation leads a dedicated claims management programme to manage pricing and margin exposure, while the business lines assess the product portfolio to identify potential triggers for cost down activities. Such activities include design changes, potential relocation of production to more cost-competitive sites and discontinuation of individual products or exit from specific businesses altogether to protect margins and improve the overall product mix. In addition, the Group pursues continuous strategic initiatives linked to sales and account management, aimed at strengthening customer relationships and supporting more profitable commercial outcomes over time.

Strategic product development and ability to address new markets

SKF Vertevo's results of operations are affected by its ability to develop and expand its offering in line with evolving customer requirements and technological developments in the OE and VA markets. Continued product development is important to maintain a competitive offering, secure nominations in the OE business and support growth in the VA business through new applications and market opportunities. SKF Vertevo's ability to enhance existing solutions and commercialise new ones may therefore affect net sales and profitability.

To support these efforts, SKF Vertevo leverages its global research and development capabilities, including ten technical centres, and collaborates closely with OEMs and Tier-1 suppliers through co-development programmes and long-term customer relationships.

Operational efficiency, productivity and capacity utilisation

SKF Vertevo's results of operations are affected by its ability to maintain and improve operational efficiency, productivity and capacity utilisation across its manufacturing and supply chain network. The Group operates 16 manufacturing facilities, ten technical centres and a global distribution network comprising nine kitting centres, 52 warehouses and 31 remote local stock locations. The operational efficiency, productivity and utilisation of these assets support profitability and cash flow through operational leverage and the absorption of fixed costs. Conversely, lower production volumes, inefficiencies or underutilisation of manufacturing capacity may affect margins and cash flow.

SKF Vertevo continuously implements initiatives aimed at improving operational efficiency, productivity and capacity utilisation, including manufacturing footprint optimisation, automation, process improvements and the deployment of resources where they create the greatest operational impact. The Group also seeks to maintain production flexibility and adapt capacity to changes in customer demand and market conditions. Its ability to successfully execute these initiatives may therefore have an impact on its results of operations, profitability and cash flow.

1) Arval Mobility Observatory, Fleet and Mobility Barometer 2026 – Global Report, April 2026.

Working capital management

Changes in working capital are primarily driven by inventory, trade receivables and trade payables. Significant changes in working capital can have a material impact on SKF Vertevo's cash flow and return on capital employed. Given the nature of SKF Vertevo's operations, inventory is required to run the business, which ties up a certain amount of capital. Since inventory constitutes a key component of working capital, geopolitical uncertainty can periodically affect working capital by reshaping supply chains, increasing sourcing complexity and affecting demand.

In addition to the factors affecting day-to-day operations, there are also other changes affecting working capital that can be regarded as more temporary in nature. In the short term, the working capital related to the spin-off is temporary and is expected to normalise as the production footprint and logistics flows stabilise.

Investments and capabilities needs

SKF Vertevo's investments can be broadly categorised as maintenance, productivity and efficiency, growth and capacity expansion, and sustainability and compliance-related investments. The level and timing of such investments may have a material impact on the Group's results of operations, financial position and cash flow.

Maintenance investments are required to support efficient and reliable production. Delaying or reducing such investments could result in increased downtime, reduced equipment performance and, in certain cases, the loss of customer approvals or OEM certifications. Growth and capacity expansion investments may be required to support future business opportunities, while sustainability and compliance-related investments may increase as a result of evolving regulatory requirements and stakeholder expectations. As a standalone company, SKF Vertevo expects to have greater flexibility to allocate capital in line with its strategic priorities and value creation objectives.

Seasonality effects

SKF Vertevo's revenue is subject to normal seasonality in the automotive industry. Revenue is typically affected by customer production schedules and temporary shutdowns, particularly during the summer vacation period in Europe and around year-end holiday periods. As a result, revenue and profitability may vary between quarters. The Group's VA business generally exhibits lower cyclicality, with the exception of the beginning of the first and end of the last quarter, which normally are weaker due to rebalance of stock and public holidays, and therefore provides a degree of stability compared to the OE business, which is more closely linked to vehicle production volumes.

Currency effects

SKF Vertevo's results and cash flows are affected by exchange-rate fluctuations, as the Group operates globally and is exposed to a number of different markets and currencies. Exchange-rate fluctuations may expose SKF Vertevo to transaction and translation risks that affect the Group's results and cash flows. Transaction exposure arises primarily when revenue from the sale of SKF Vertevo's products is generated in countries and currencies other than those in which the related costs are incurred. As SKF Vertevo operates in approximately 40 countries and conducts business across multiple currencies, exchange-rate developments are expected to remain an important factor affecting the Group's results of operations, cash flow and financial position.

Separation from SKF and transition to standalone operations

SKF Vertevo will operate independently going forward without the need to coordinate its activities with SKF, which is expected to support the Group's strategic development through a leaner organisation, dedicated management and a focused automotive business. The costs related to the separation have been incurred on an ongoing basis during 2025 and 2026, which has affected the Group's operating profit and resulted in period costs that are not fully representative of the underlying business. SKF Vertevo believes that 2027 will likely be the first financial year in which the costs associated with these standalone functions and processes can be observed and assessed.

Following the separation, SKF Vertevo will operate as a standalone brand, requiring it to establish a distinct identity while continuing to use a name and trademarks incorporating "SKF". Retaining the name preserves the association with SKF, which may support sales through reputation, customer confidence, product demand and investor perception. Conversely, developments involving SKF may harm SKF Vertevo's sales through those same channels.

In addition, a number of agreements have been entered into between SKF Vertevo and SKF to facilitate a stable transition into two independent groups. Contract manufacturing arrangements have been established to maintain continuity of supply and allow the parties to build independent manufacturing capacity in overlapping product areas. Contract manufacturing is expected to have an impact on margins while in place. In addition, collaboration within research and development will continue through the R&D collaboration arrangements, which establishes the framework for collaboration, cost sharing and the allocation of resulting intellectual property.

EXPLANATION OF INCOME STATEMENT ITEMS

Net sales

Revenue is recognised when the control of goods or services is transferred to the customer at an amount reflecting the expected and entitled consideration for the goods or services provided. Net sales consist of sales of products and services to customers in the normal course of business and are recognised when control has been transferred to the customer, net of rebates, returns and other variable considerations.

Cost of goods sold

The cost of goods sold is defined as the costs of production and procurement of the goods sold and other order specific costs. A production unit's total cost is recognised within cost of goods sold.

Research and development expenses

Research is the original and planned innovation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Research costs are always expensed as incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of the commercial production or use. Development does not include the maintenance or enhancement of ongoing operations.

Expenditure of research activities are expensed as incurred, whereas expenditures of development activities are expensed as incurred unless the activities meet the criteria for being capitalised.

That criteria is if the product or process being developed is estimated to be technically and commercially feasible, and the Group has the intent and ability to complete and sell or use the product or process.

Selling expenses
Selling expenses are the costs connected with advertising and selling products to external customers. Costs related to the internal distribution of goods are included in cost of goods sold.

Administrative expenses
Administrative expenses are the administrative expenses that are not related to costs of goods sold or sales costs.

Other operating income and expenses
Other operating income and expenses are income and expenses that are not related to administration, sales, or research and development. It mainly includes exchange rate gains and losses on receivables and payables denominated in foreign currencies that are revalued using the foreign exchange rate at the balance sheet date and realised effects of foreign exchange, as well as gains and losses from the sale of property, plant and equipment.

Financial income and expenses
Financial items consist of financial income and financial expenses. Financial income items include interest income from cash and cash equivalents, capital gains (dividends) and foreign exchange gains. Financial expense items include interest expenses on borrowings, lease liabilities, net pension provisions, capital losses, and foreign exchange losses.

Income tax
The income tax expense for the period encompasses current and deferred tax. The current income tax expense is calculated on the basis of the tax regulations applicable on the closing date in those countries where the parent company and its subsidiaries are active and generate taxable income. Current tax also includes adjustments relating to recognised current tax from prior periods. Deferred tax is calculated based on temporary differences between the carrying amounts and the taxable values of assets and liabilities. Deferred tax calculations also include tax loss carry forwards, if it is probable that these can be utilised against future taxable profits. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

JANUARY–SEPTEMBER 2026 COMPARED TO JANUARY–SEPTEMBER 2025

Net sales
Net sales for the nine-month period ended 30 September 2026 amounted to MSEK 18,035 compared to MSEK 19,071 for the corresponding period 2025, which represents a decrease of MSEK 1,035 or 5.4 per cent. Organic net sales decreased by 2.2 per cent compared to the corresponding period in 2025, driven by a weak market demand environment and deliberate pruning effects, particularly within PVs in Europe, partly offset by continued momentum in VA sales.

Cost of goods sold
Cost of goods sold for the nine-month period ended 30 September 2026 amounted to MSEK 15,543 compared to MSEK 16,426 for the corresponding period 2025, which represents a decrease of MSEK 883 or 5.4 per cent and was primarily driven by lower sales volumes. Whilst costs associated with the separation from SKF and salary inflation contributed to an increase in cost of goods sold during the period, this is offset by a positive price/mix effect and cost improvements from manufacturing efficiencies and procurement management.

Gross profit
As a result of the net sales and cost of goods sold development, the gross profit for the nine-month period ended 30 September 2026, amounted to MSEK 2,492 compared to MSEK 2,645 for the corresponding period 2025, which represents a decrease of MSEK 152 or 5.8 per cent. The gross profit margin decreased to 13.8 per cent from 13.9 per cent.

Items affecting comparability within cost of goods sold
Items affecting comparability within cost of goods sold impacted the gross profit by MSEK –827 for the nine-month period ended 30 September 2026, of which MSEK –140 related to restructuring cost and MSEK –408 related to separation cost and impairments of tangible and intangible assets amounted to MSEK –279. For the nine-month period ended 30 September 2025, items affecting comparability within cost of goods sold amounted to MSEK 657, of which MSEK –337 related to restructuring costs and MSEK –189 related to separation costs and impairments of tangible and intangible assets amounted to MSEK –130.

Adjusted gross profit
Adjusted gross profit for the nine-months period ended 30 September 2026 amounted to MSEK 3,320 compared to MSEK 3,302 for the corresponding period in 2025, which represents an increase of MSEK 18 or 1 per cent. The increase in adjusted gross profit was primarily driven by a positive price/mix effect, cost efficiencies arising from operating as a more independent business and tariff refunds, partly offset by lower sales volumes, wage inflation, tariffs and adverse currency effects. The adjusted gross margin increased to 18.4 per cent from 17.3 per cent.

Research and development expenses
Research and development costs for the nine-month period ended 30 September 2026 amounted to MSEK 398 compared to MSEK 166 for the corresponding period 2025, which represents an increase of MSEK 232 or 140 per cent. The increase was primarily related to the build-up of standalone research and development capabilities and functions in connection with the separation from SKF, resulting in higher investments in product development and engineering resources.

Selling expenses
Selling expenses for the nine-month period ended 30 September 2026 amounted to MSEK 1,940 compared to MSEK 2,275 for the corresponding period 2025, which represents a decrease of MSEK 335 or –15 per cent. The decrease in selling expenses was primarily driven by cost reduction initiatives, organisational streamlining and lower commercial activity levels.

Administrative expenses

Administrative expenses for the nine-month period ended 30 September 2026 amounted to MSEK 328 compared to MSEK 109 for the corresponding period 2025, which represents an increase of MSEK 219 or 202 per cent. The increase in administrative expenses was primarily driven by the establishment of standalone corporate and support functions following the separation from SKF, including additional management, finance, legal, human resources and information technology resources required to operate as an independent company.

Other operating income and expenses

Other operating income and expenses for the nine-month period ended 30 September 2026 amounted to MSEK –532 compared to MSEK –339 for the corresponding period 2025. The increase in net operating expenses was primarily due to costs associated with the separation from SKF and the establishment of a standalone operating structure.

Operating profit

Operating loss for the nine-month period ended 30 September 2026 amounted to MSEK –707 compared to an operating loss of MSEK –244 for the corresponding period 2025, which represents an increase of MSEK 463 or 190 per cent. The increase in operating loss was primarily driven by higher items affecting comparability, mainly related to separation activities from SKF and impairment charges, which more than offset the improvement in adjusted operating profit during the period. Tariff refunds impacted operating profit somewhat positively. The operating margin decreased to –3.9 per cent from –1.3 per cent.

Items affecting comparability

Items affecting comparability impacted the operating profit by MSEK –1,624 for the nine-month period ended 30 September 2026, of which MSEK –224 related to restructuring cost and MSEK –1,120 related to separation cost and impairments of tangible and intangible assets amounted to MSEK –279. For the nine-month period ended 30 September 2025, items affecting comparability amounted to MSEK –1,114, of which MSEK –336 related to restructuring costs and MSEK –648 related to separation costs and impairments of tangible and intangible assets amounted to MSEK –130.

Adjusted EBITDA and adjusted operating profit

Adjusted EBITDA during the nine months ended 30 September 2026 amounted to MSEK 1,443 compared to MSEK 1,301 during the corresponding period 2025, which represents an increase of MSEK 141 or 11 per cent. The increase in adjusted EBITDA was primarily driven by positive price/mix effects, cost efficiencies resulting from operating as a more independent business, and tariff refunds, partly offset by lower sales volumes, salary inflation, tariffs and adverse currency effects. During the same period, the adjusted EBITDA margin increased to 8.0 per cent from 6.8 per cent.

Adjusted operating profit during the nine months ended 30 September 2026, amounted to MSEK 917 compared to MSEK 870 during the corresponding period 2025, which represents an increase of MSEK 47 or 5 per cent. The increase in adjusted operating profit was primarily driven by the effects described for adjusted EBITDA, with an increase in depreciation expense during the period due to investments related to the separation from SKF. The adjusted operating margin increased to 5.1 per cent from 4.6 per cent.

Financial items

Financial expense for the nine-month period ended 30 September 2026 amounted to MSEK 423 compared to MSEK 398 for the corresponding period 2025. Financial income for the nine-month period ended 30 September 2026 amounted to MSEK 106 compared to MSEK 111 for the corresponding period 2025. Net financial items for the nine-month period ended 30 September 2026 amounted to an expense of MSEK 317 compared to an expense of MSEK 287 for the corresponding period 2025, which represents an increase of MSEK 30. The increase in financial items (expense) was primarily due to higher interest expenses.

Income tax

Income tax expense for the nine-month period ended 30 September 2026 amounted to MSEK 6 compared to MSEK 23 for the corresponding period 2025, which represents a decrease of MSEK 17. Income tax expense for the nine-month period ended 30 September 2026 corresponded to an effective tax rate of –0.6 per cent compared to –4.3 per cent in 2025. The effective tax rate was impacted by effects from the separation from SKF and new entity structure.

Net profit

Net profit/loss for the nine-month period ended 30 September 2026 amounted to MSEK –1,030 compared to MSEK –554 for the corresponding period 2025, which represents a decrease of MSEK 477. The decrease was primarily due to higher costs related to separation activities from SKF, which were partly offset by cost efficiencies and tariff refunds. In 2026, MSEK –681 was attributable to owners of the parent compared to MSEK –593 in 2025.

Adjusted net profit

Adjusted net profit for the nine-month period ended 30 September 2026 amounted to MSEK 594 compared to MSEK 560 for the corresponding period 2025, which represents an increase of MSEK 33. The increase was primarily due to improved operating performance driven by positive price/mix effects, cost efficiencies associated with operating as a separate business and tariff refunds, partly offset by salary inflation and adverse currency effects.

2025 COMPARED TO 2024

Net sales
Net sales amounted to MSEK 24,725 in 2025 compared with MSEK 28,133 in 2024, representing a decrease of MSEK 3,408 or 12 per cent. The decline was mainly attributable to lower demand across several end markets and unfavourable currency movements. Market conditions were particularly weak in Europe and North America. The price mix effect was positive comparing 2025 to 2024. Organic sales decreased by 5.6 per cent year-on-year, primarily reflecting lower market demand.

Cost of goods sold
Cost of goods sold for 2025 amounted to MSEK 21,456 compared to MSEK 23,387 in 2024, which represents a decrease of MSEK 1,931 or 8 per cent. Excluding items affecting comparability, the cost of goods sold decreased by MSEK 2,541 or 11 per cent. The main driver of the decrease in cost of goods sold is lower material costs due to lower volumes.

Gross profit
Gross profit for 2025 amounted to MSEK 3,269 compared with MSEK 4,745 in 2024, representing a decrease of MSEK 1,477 or 31.1 per cent. The decrease in gross profit was primarily attributable to lower net sales, which was only partly offset by the reduction in cost of goods sold. The gross profit margin decreased to 13.2 per cent from 16.9 per cent.

Items affecting comparability within cost of goods sold
Items affecting comparability within cost of goods sold impacted the gross profit by MSEK –790 in 2025, of which MSEK –443 related to restructuring costs, MSEK –317 related to separation costs, and impairments
of tangible and intangible assets amounted to MSEK –29. In 2024, items affecting comparability within cost of goods sold amounted to MSEK –180, of which MSEK –162 related to restructuring costs and impairments of intangible assets amounted to MSEK –18.

Adjusted gross profit
Adjusted gross profit 2025 amounted to MSEK 4,059 compared to MSEK 4,925 in 2024, which represents a decrease of MSEK 867 or 18 per cent. The decrease in adjusted gross profit was primarily driven by lower net sales, which was only partly offset by the reduction in cost of goods sold. The adjusted gross margin decreased to 16.4 per cent from 17.5 per cent.

Research and development expenses
Research and development costs for 2025 amounted to MSEK 255 compared to MSEK 224 in 2024, which represents an increase of MSEK 31.

Selling expenses
Selling expenses for 2025 amounted to MSEK 3,023 compared to MSEK 2,798 in 2024, which represents an increase of MSEK 224 or 8 per cent. The increase in selling expenses was primarily driven by inflation as well as restructuring costs.

Administrative expenses
Administrative expenses for 2025 amounted to MSEK 142 compared to MSEK 146 in 2024, which represents a decrease of MSEK 4.

Other operating income and expenses
Other operating income and expenses in 2025 amounted to MSEK –506 compared to MSEK –348 in 2024. The change was primarily attributable to exchange rate differences, which amounted to an income of MSEK 33 in 2025 compared with an expense of MSEK 109 in 2024.

Operating profit
Operating loss amounted to MSEK –657 in 2025 compared to an operating profit of MSEK 1,230 in 2024, representing a decrease of MSEK 1,887 or 153.4 per cent. The decrease in operating profit was primarily attributable to unfavourable currency effects and lower sales volumes. Measures to reduce costs, together with lower material costs, partly reflecting a different product mix compared with the previous year, more than offset wage inflation, volume-related cost inefficiencies and tariff-related costs. However, these positive effects were insufficient to compensate for the impact of lower volumes and adverse currency movements. The operating profit margin decreased to –2.7 per cent from 4.4 per cent.

Items affecting comparability
Items affecting comparability impacted the operating profit by MSEK –1,560 in 2025, of which MSEK –444 related to restructuring costs, MSEK –1,034 related to separation costs, and impairments of tangible and intangible assets amounted to MSEK –82. In 2024, items affecting comparability amounted to MSEK –337, of which MSEK –174 related to restructuring costs, MSEK –128 related to separation costs, and impairments of intangible assets amounted to MSEK –36.

Adjusted EBITDA and adjusted operating profit
Adjusted EBITDA for 2025 amounted to MSEK 1,490 compared to MSEK 2,093 in 2024, which represents a decrease of MSEK 603 or 29 per cent. The decrease in adjusted EBITDA compared to the previous period is mainly due to lower revenue and increased operating costs. The reduction in sales volume, combined with inflation, negatively impacted profitability. During the same period, the adjusted EBITDA margin decreased to 6.0 per cent from 7.4 per cent.

Adjusted operating profit 2025 amounted to MSEK 903 compared to MSEK 1,567 in 2024, which represents a decrease of MSEK 664 or 42 per cent. The decrease in adjusted operating profit was primarily driven by a decrease in operating profit, excluding effects from items affecting comparability. The adjusted operating margin decreased to 3.7 per cent from 5.6 per cent.

Financial items
Financial expenses amounted to MSEK –584 in 2025, compared with MSEK –241 in 2024. Financial income amounted to MSEK 129 in 2025, compared with MSEK 200 in 2024. Net financial items amounted to MSEK –455 in 2025, compared to MSEK –41 in 2024, which represents an increase of MSEK 414. The change was primarily attributable to a more adverse impact from exchange rate differences and increased interest expenses.

Income tax

Income tax expense for 2025 amounted to MSEK 11 compared to MSEK 218 in 2024, which represents a decrease of MSEK 207. Income tax expense for 2025 corresponded to an effective tax rate of –1 per cent compared to 18 per cent in 2024. The decrease in effective tax rate was primarily driven by the Group reporting a profit before taxes in 2024, compared to a loss in 2025, as well as a decrease in non-deductible/non-taxable differences during the year.

Net profit

Net profit/loss for 2025 amounted to MSEK –1,122 compared to MSEK 971 in 2024, which represents a decrease of MSEK 2,094. The decrease compared to last year was primarily driven by an increase in items affecting comparability of MSEK 1,223, mainly attributed to the separation from SKF. The decrease of net profit was also impacted by currency effects and lower volumes. Cost savings and lower material costs, partly from a different product mix compared to last year, more than made up for wage inflation, volume-related cost inefficiencies and tariffs.

Adjusted net profit

Adjusted net profit for 2025 amounted to MSEK 438 compared to MSEK 1,308 in 2024, which represents a decrease of MSEK 870. The decrease in adjusted net profit was primarily driven by adverse currency effects and lower volumes in 2025. Cost savings and reduced material costs, partly attributable to a different product mix, more than offset the impact of wage inflation, volume-related cost inefficiencies and tariffs.

GOODWILL AND INTANGIBLE ASSETS

As of 30 September 2026, SKF Vertevo had goodwill with a recognised value of MSEK 333 and other intangible assets such as customer relationships, patents, tradenames and similar rights with a book value of MSEK 235. For further information, see "*Note 8 – Intangible assets*" on page F-32 and onwards in "*Historical financial statements*".

PROPERTY, PLANT AND EQUIPMENT

As of 30 September 2026, SKF Vertevo's tangible fixed assets amounted to MSEK 7,311 and consisted of property, plant and equipment of MSEK 6,921 and right-of-use assets of MSEK 390. As per 30 September 2026 SKF Vertevo had no pledged assets for tangible assets.

Property, plant and equipment are stated at historical cost less straight-line accumulated depreciation based on estimated useful lives, adjusted for any impairment charges. Land is not depreciated as it is considered to have an unlimited useful life. The basis for allocating property, plant and equipment in the combined balance sheet has primarily been SKF Group's internal operating reporting of those assets used in the automotive business. Some of those assets have been shared with the remaining SKF business. When the automotive business, during 2025 and 2026, has been transferred from shared legal entities to SKF Vertevo entities, the allocation of property, plant and equipment in the combined balance sheet has been replaced by the actual assets transferred. Hence, the combined balance sheet as of 30 September 2026 is a reflection of the legal ownership and future consolidated balance of property, plant and equipment. For further information and additional accounting policies, please see "*Note 1 – Significant accounting principles – assessments and assumptions for accounting purposes*" on page F-26 and onwards in "*Historical financial statements*".

As of 31 December 2025, SKF Vertevo's property, plant and equipment amounted to MSEK 8,095, compared to 9,596 as of 31 December 2024. The decrease of MSEK 1,501 consists of a positive impact from additions of MSEK 1,076 and decrease due to depreciations and negative translation effects. Moreover, there is a decrease in property, plant and equipment due to former shared assets in the combined balance sheet have been replaced with the actual assets transferred to the SKF Vertevo's entities during 2025.

As of 30 September 2026, SKF Vertevo's property, plant and equipment amounted to MSEK 6,921. The net decrease compared to 31 December 2025 consists of additions, depreciation, translation effects and former shared assets that have been replaced with the actual assets acquired by the SKF Vertevo's entities during 2026. As of 30 September 2026, no allocated shared property, plant and equipment remain in the balance sheet since it is replaced by the actual acquired assets.

For further information, see "*Note 9 – Property, plant and equipment (PPE)" on page F-34 and onwards in "Historical financial statements*".

For information on SKF Vertevo's manufacturing units please refer to "*Business description–Manufacturing*". Some of the manufacturing units require environmental permits and require SKF Vertevo to submit notifications, reports and/or documentation to the relevant local authority for their operations.

CAPITAL EXPENDITURES

SKF Vertevo continuously invests in tangible and intangible assets, so-called capex-investments, as well as in financial assets. The capex-investments related to tangible and intangible assets are presented as additions in the investing activities in the cash flow statement and as additions in the notes to the combined financial statements (for further information see "*Note 8 – Intangible assets*" and "*Note 9 – Property, plant and equipment (PPE)*" on pages F-32–F-35 in "*Historical financial statements*"). The majority of the capex-investments in property, plant and equipment are related to maintenance of production operations, productivity and efficiency improvements, growth and capacity expansion initiatives and sustainability and compliance requirements. SKF Vertevo's capex-investments are meant to support operational reliability, future business growth, manufacturing and distribution capabilities and compliance with environmental and regulatory standards.

See also "*Business description–Ongoing and future investments*".

CASH FLOW

Cash flow from operating activities

Cash flow from operating activities during the nine months ended 30 September 2026, gave rise to an outflow of MSEK 2,375 compared to an outflow of MSEK 168 during the corresponding period in 2025, which represents a decrease of MSEK 2,207. The decrease was primarily due to the build-up of independent operations and payments of invoices related to the separation from SKF, resulting in an increase in working capital outflows.

Cash flow from operating activities for 2025 amounted to MSEK 463 compared to MSEK 1,945 in 2024, which represents a decrease of MSEK 1,483 or 76.2 per cent. The decrease in cash flow was primarily driven by lower adjusted operating profit and an increase in working capital.

Cash flow from investing activities

Cash flow from investing activities during the nine months ended 30 September 2026, gave rise to an outflow of MSEK 441 compared to an outflow of MSEK 634 during the corresponding period in 2025, which represents a decrease of MSEK 193. The main driver was lower capital expenditure, with payments for property, plant and equipment decreasing to MSEK 610 from MSEK 789 in the corresponding period of 2025.

Cash flow from investing activities for 2025 gave rise to an outflow of MSEK 875 compared to an outflow of MSEK 1,005 in 2024, which represents a decrease of MSEK 130. The main driver for the change in cash flow from investing activities was the higher rate of additions of machinery and machine tooling during 2024. Additions to property plant and equipment amounted to MSEK 1,076 for 2025, compared to MSEK 1,097 during 2024.

Cash flow from financing activities

Cash flow from financing activities during the nine months ended 30 September 2026, gave rise to an outflow of MSEK 31 compared to an inflow of MSEK 488 during the corresponding period in 2025, which represents a decrease of MSEK 519. The decrease was primarily attributable to higher repayments of loans to SKF and payments for financing items relating to the establishment of the SKF Vertevo structure. Net proceeds and repayments of loans amounted to MSEK 269 compared to MSEK 439 in the corresponding period in 2025.

Cash flow from financing activities for 2025 gave rise to an inflow of MSEK 1,251 compared to an inflow of MSEK 663 in 2024, which represents an increase of MSEK 589. The increase was mainly attributable to increased proceeds from current and non-current loans and transactions with shareholders as part of the establishment of the SKF Vertevo structure.

Transactions with the SKF Group

In the combined statements of cash flow there are effects on cash from cash flows included in SKF Vertevo's combined financial statements relating to legal entities that will remain part of the SKF Group following the separation. Those items are presented as Transactions with the SKF Group. When the Automotive business during 2025 and 2026 has been transferred from shared legal entities to SKF Vertevo entities the initial allocation of property, plant and equipment in the combined balance sheet has been replaced by the actual assets transferred. Any deviation between allocation and actual transferred assets is not a SKF Vertevo cash flow and is therefore presented as Transactions with the SKF Group.

CAPITAL RESOURCES AND LIQUIDITY

SKF Vertevo's liquidity needs arise primarily as a consequence of the need to finance working capital and investments in tangible and intangible assets. The main source of liquidity is the cash flow generated from the operating activities. In connection with the listing of the SKF Vertevo shares, the Group will also have access to a revolving credit facility and term loans as further described under "*Business description–Funding and borrowing structure*".

See also "*Working capital statement*".

CREDIT FACILITIES AND LOANS

Please refer to "*Business description–Funding and borrowing structure*".

RISK MANAGEMENT AND INTERNAL CONTROL

For information on the Group's financial exposure and risk management, please see "*Note 24 – Financial risk management*" on page F-48 and onwards in "*Historical financial statements*". See also "*Risk factors*" for a description of risk factors currently deemed material to SKF Vertevo.

For information on the Group's internal control framework, please see "*Corporate governance–Internal control*".

WORKING CAPITAL STATEMENT

In SKF Vertevo's opinion, the Group's working capital is sufficient for the Group's present requirements for a period of twelve months from the date of this prospectus. In this context, working capital refers to the Group's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due.

TERMS AND CONDITIONS OF THE SHARES

SHARE INFORMATION

This prospectus relates to series A shares (ISIN code SE0030336236) and series B shares (ISIN code SE0030336244) in SKF Vertevo. The shares in SKF Vertevo have been issued in accordance with Swedish law and are denominated in SEK. The shares are freely transferable in accordance with Swedish law.

CENTRAL SECURITIES DEPOSITORY

The Company's shares are book-entry registered in a securities register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The register is operated by Euroclear Nordics (Euroclear Nordics AB, P.O. Box 191, SE-101 23 Stockholm, Sweden). The shares are registered on person. No share certificates have been issued for the shares or will be issued for the new shares.

CERTAIN RIGHTS ATTACHED TO THE SHARES

Information concerning the securities

General Meetings

Notice convening a General Meeting shall be issued through announcement in the Swedish Official Gazette as well as on the Company's website. Announcement to the effect that notice convening a General Meeting has been issued shall be made in Dagens Nyheter. In order to participate in a General Meeting, a shareholder must be registered in the share register six banking days prior to the meeting (while voting registrations made by nominees no later than four banking days prior to the meeting will be taken into account), and notify the Company of the participation no later than the day stated in the notice convening the meeting.

Voting rights

For the purposes of voting at a General Meeting, each series A share carries one (1) vote and each series B share carries one-tenth (1/10) of a vote.

Preferential right to new shares, etc.

Should the Company decide to issue new series A and series B shares by means of a cash issue or an issue against payment through set-off of claims, the holders of series A and series B shares shall have a preferential right to subscribe to new shares of the same type in relation to the number of shares previously held by the holder (primary preferential right). Shares not subscribed to through a preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). If shares thus offered for subscription are insufficient for the subscription that takes place through a subsidiary preferential right, the shares shall be divided among subscribing parties in relation to the previous shareholding or, to the extent this cannot take place, by the drawing of lots. Should the Company decide to issue either series A or series B shares through a cash issue or an issue against payment through set-off of claims, all shareholders, regardless of whether their shares are series A or series B, shall be entitled to subscribe to new shares in relation to the number they held previously.

Should the Company decide to issue warrants or convertibles by means of a cash issue or an issue against payment through set-off of claims, the shareholders shall have a preferential right to subscribe to warrants as if the issue were of the shares that may be subscribed to pursuant to the warrant and, respectively, a preferential right to subscribe to convertibles as if the issue were of the shares that the convertibles may be converted to.

The aforementioned does not entail any limitation on the possibility of passing a resolution regarding a cash issue or an issue against payment through set-off of claims that deviates from the shareholders' preferential right.

In the event of an increase in the share capital through a bonus issue, potential new shares of each type shall be issued in relation to the number of shares of the same type as previously. Consequently, old shares of a certain type shall carry the right to new shares of the same type. The aforementioned shall not entail any limitation on the possibility of issuing a new type of share by means of a bonus issue, following the requisite amendment to the Articles of Association.

Rights to dividends and surplus in the event of liquidation
Series A and series B shares in the Company carry equal rights to participation in the Company's profit and any surplus in the event of liquidation.

Dividends are resolved upon by the General Meeting and the payment is administered by Euroclear Nordics. Dividends may only be paid if the Company, after such dividends, still has full coverage of its restricted equity and further to the extent that such dividends are justified taking into consideration (i) the demands with respect to size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations; and (ii) the Company's and the Group's consolidation needs, liquidity and position in general (the so-called prudence rule). As a general rule, the shareholders may not decide upon larger dividends than those proposed or approved by the Board of Directors. Dividends are normally paid to shareholders in cash on a per share basis, but may also be paid in kind.

On the record date established by the General Meeting, holders recorded as owners of shares in the register of shareholders maintained by Euroclear Nordics will be entitled to receive dividends. If a shareholder cannot be paid through Euroclear Nordics, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company subject to a statutory limitation of ten years. Should the claim become barred by the statute of limitations, the dividend amount is forfeited to the Company. Neither the Swedish Companies Act nor SKF Vertevo's Articles of Association contain any restrictions regarding dividend rights of shareholders outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Sweden. However, shareholders who are not tax resident in Sweden are normally subject to Swedish withholding tax. See "*Supplementary information–Certain tax considerations in Sweden*" for additional information.

Information on taxation
The tax legislation in the investor's home country and in Sweden may affect any income received from shares in SKF Vertevo.

The taxation of any dividend, as well as capital gains taxation and rules concerning capital losses in connection with disposal of securities, depends on the investor's particular circumstances. Special rules apply to certain categories of tax payers and certain types of investment forms. Each holder of shares should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign tax rules and tax treaties. See also "*Supplementary information–Tax considerations*".

Conversion clause
Owners of series A shares are entitled to request conversion of series A shares to series B shares. Such request for conversion, which shall be made in writing and specify the number of shares to be converted, shall be made to the Company. The Company shall without delay notify the conversion to the Swedish Companies Registration Office for registration. The conversion is effected once the registration is completed and it has been noted in the Central Securities Depository Register.

INFORMATION ABOUT PUBLIC TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES

Under the Swedish Stock Market (Takeover Bids) Act (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), any person who does not hold any shares, or holds shares representing less than 30 per cent of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market, and who through the acquisition of shares in such a company, alone or together with a closely related party, holds shares representing 30 per cent or more of the voting rights, is obliged to immediately disclose the size of its holding in the company and, within four weeks thereafter, make an offer to acquire the remaining shares in the company (mandatory bid requirement).

A shareholder who directly, or through a subsidiary, holds more than 90 per cent of the shares in a Swedish limited liability company is entitled to redeem the remaining shares in the company. Holders of the remaining shares are, correspondingly, entitled to have their shares redeemed by the majority shareholder. The procedure for such redemption of minority shares is regulated in the Swedish Companies Act.


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DETAILS OF THE ADMISSION TO TRADING

BACKGROUND AND REASONS

On 17 September 2024, the Board of Directors of SKF announced its decision to initiate a separation of the SKF Group's automotive business, SKF Vertevo, from the rest of the SKF Group with the intention to distribute the shares of SKF Vertevo to SKF's shareholders through a Lex Asea distribution and admit the SKF Vertevo shares to trading on Nasdaq Stockholm. The decision followed a multi-year strategic review and organisational initiatives dating back to February 2022, when the automotive business was given a more independent operating model to position it for long-term success.

In September 2026, the Board of Directors and Group Management of SKF decided to proceed with the separation and spin-off of SKF Vertevo, reflecting the businesses' different dynamics, end markets and success drivers. At the Extraordinary General Meeting in SKF held on 1 October 2026, SKF's shareholders resolved, in accordance with the proposal by the Board of Directors of SKF, to distribute all shares in SKF Vertevo to the shareholders of SKF. The first day of trading is expected to be 1 December 2026.

As a standalone listed entity, SKF Vertevo intends to maintain a clear focus on opportunities to enhance customer value and strengthen its competitive position. The separation is expected to support the Group's development as a specialised global automotive business with dedicated management focus and independent capital allocation. This is intended to enhance management's flexibility in prioritising investments and executing SKF Vertevo's strategic priorities, including initiatives aimed at improving operational efficiency and supporting profitable growth. SKF Vertevo also intends to continue strengthening its innovation capabilities, maintaining its position in core product categories and pursuing opportunities to expand its addressable market. A lean operating model and the ongoing transformation towards a more automotive-adapted value chain are intended to support SKF Vertevo's efforts to improve speed, efficiency and competitiveness over time.

SKF Vertevo will be a developer and manufacturer of customised automotive bearings and related products for wheel-end, powertrain as well as steering and suspension applications. SKF Vertevo will continue to supply the vehicle aftermarket with a wide range of spare parts, both directly and through a network of more than 9,000 VA customers. As of 30 September 2026, SKF Vertevo generated net sales of BSEK 23.69 on a last twelve-month basis and employed 7,435 people.

RESOLUTION ON THE DISTRIBUTION OF SKF VERTEVO

On 1 October 2026, the Extraordinary General Meeting of SKF resolved, in accordance with the proposal by the Board of Directors of SKF, to distribute all shares in the wholly-owned subsidiary SKF Vertevo to the shareholders of SKF. The shares in SKF Vertevo are distributed to the shareholders of SKF in proportion to each shareholder's holdings of shares in SKF on the record date for distribution, as determined by the Board of Directors of SKF (27 November 2026). Every five (5) shares held in SKF entitle to one (1) share of the same series in SKF Vertevo. Aside from being registered as a shareholder on the record date for distribution (directly registered or nominee-registered), no further actions are required in order to receive shares in SKF Vertevo. It is expected that the distribution of the shares in SKF Vertevo will fulfil the requirements set out in the so-called "Lex Asea" rules and therefore not be immediately taxable for individuals and limited liability companies that are Swedish tax residents. For further information, see "*Supplementary information–Certain tax considerations in Sweden*".

DISTRIBUTION RATIO

Every five (5) shares of series A in SKF entitle to one (1) share of series A in SKF Vertevo and every five (5) shares of series B in SKF entitle to one (1) share of series B in SKF Vertevo. In total, 91,070,213 shares in SKF Vertevo will be distributed, 5,783,611 of which are series A shares and 85,286,602 of which are series B shares. If a shareholder's shareholding in SKF is not evenly divisible by five (5), the fraction of shares which the shareholder's shareholding in SKF otherwise would entitle to in SKF Vertevo will be combined with all other shareholders' fractions of shares into whole shares in SKF Vertevo, which will be sold on Nasdaq Stockholm through SEB. The proceeds from such sale, free of any commissions, will then be paid to such shareholders through the Euroclear system on a pro rata basis.

RECORD DATE

The record date for the right to receive distribution of shares in SKF Vertevo is 27 November 2026. The last day of trading in SKF shares including the right to distribution of shares in SKF Vertevo is 25 November 2026. The shares in SKF will be traded excluding the right to distribution of shares in SKF Vertevo as of 26 November 2026.

RECEIPT OF THE SHARES IN SKF VERTEVO

Those recorded in the share register, maintained by Euroclear Nordics, as shareholders of at least five (5) SKF shares on the record date for the distribution of shares in SKF Vertevo will receive shares in SKF Vertevo with no further action required. Shares in SKF Vertevo will be available on the securities account of those shareholders who are entitled to receive the distribution (or the securities account belonging to the party who is otherwise entitled to receive the distribution) no later than two banking days after the record date. Thereafter, Euroclear Nordics will send out a statement containing information on the number of shares registered on the securities account of the recipient.

NOMINEE-REGISTERED HOLDINGS

Shareholders whose holdings in SKF are registered in the name of a nominee (i.e., a bank or other nominee), on the record date for the distribution of shares in SKF Vertevo, will not receive a statement from Euroclear Nordics. Notification and the crediting of shares in SKF Vertevo to the accounts of nominee-registered shareholders will instead be carried out in accordance with the procedures of the respective nominee.

LISTING OF THE SHARES IN SKF VERTEVO

The Board of Directors of SKF Vertevo has applied for the listing of the Company's shares on Nasdaq Stockholm. Nasdaq Stockholm decided on 24 September 2026 to approve SKF Vertevo's application for admission of the Company's shares to trading on Nasdaq Stockholm provided that certain customary conditions are fulfilled. The first day of trading is expected to be 1 December 2026. The Company's ticker symbol on Nasdaq Stockholm for the shares of series A and B will be SKFVER A and SKFVER B, respectively. The ISIN code for the Company's shares of series A is SE0030336236 and SE0030336244 for shares of series B.

HOLDERS OF SKF AMERICAN DEPOSITARY RECEIPTS

Pursuant to the terms of the deposit agreement under which the American Depositary Receipts ("**ADRs**") representing shares of SKF were issued, it is expected that a broker, on behalf of the depositary Citibank, will sell the shares in SKF Vertevo distributed in respect of the shares of SKF deposited in the ADR facilities. The net cash proceeds from the sale of the shares and fractions of shares in SKF Vertevo will be distributed by the depositary to the holders of ADRs representing shares of SKF, on a pro rata basis.

RIGHT TO DIVIDENDS

The shares in SKF Vertevo entitle to dividend for the first time on the record date for distribution of dividend which falls immediately after the distribution of shares in SKF Vertevo has been executed. Any dividends will be paid following a resolution by a General Meeting. The payment of any dividends will be administered by Euroclear Nordics or, should the shares be nominee-registered, in accordance with the procedures of the respective nominee. Entitlement to receive such dividends is limited to shareholders registered in the share register maintained by Euroclear Nordics on the record date for distribution determined by the General Meeting. For further information on SKF Vertevo's dividend policy, see "*Dividend policy*". For information on tax on dividend, see "*Supplementary information–Tax considerations*".

TRANSACTION COSTS

The total transaction costs for the split of the SKF Group are estimated to be approximately BSEK 3.0, including separation costs of BSEK 2.9 and listing costs for the proposed distribution of the shares in SKF Vertevo of BSEK 0.1, whereof SKF Vertevo's costs are estimated at approximately BSEK 2.2. The remaining transaction costs in the fourth quarter 2026 are estimated to be approximately BSEK 0.2, out of which BSEK 0.1 will be borne by SKF Vertevo.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

According to SKF Vertevo's Articles of Association, the Board of Directors shall be comprised of not less than five and not more than twelve members, elected by the shareholders at the General Meeting. In addition and by law, employee organisations are entitled to appoint employee representatives. The Board of Directors currently comprises eight members elected by the General Meeting for a term of office extending until the close of the Annual General Meeting 2027 as well as one member with one deputy appointed by Swedish employee organisations.

Name	Position	Board member in SKF	Board member in SKF Vertevo since	Independent in relation to the Company and the Executive Management Team	Independent in relation to the Company's major shareholders	Audit and Sustainability Committee	People Committee	Shareholding in SKF[2]	Entitled to number of shares in SKF Vertevo[3]
Håkan Buskhe	Chair	Yes	2025	Yes	No	Member	Chair	5,000 series B shares; 4,551 synthetic shares	1,000 series B shares
Therese Friberg	Member	–	2025	Yes	Yes	Chair	Member	–	–
Hock Goh	Member	–	2025	Yes	Yes	–	–	1,000 series B shares	200 series B shares
Philip Ahlgren	Member	–	2025	Yes	Yes	Member	Member	–	–
Jumana Al-Sibai	Member	–	2026	Yes	Yes	–	–	–	–
Ebba Bonde	Member	–	2026	Yes	Yes	–	–	797 series B shares	159 series B shares
Maria Hemberg	Member	–	2026	Yes	Yes	–	–	416 series B shares	83 series B shares
Kerstin Enochsson	Member and President and CEO	–	2026	No	Yes	–	–	–	–
Theres Gebl	Member[1]	–	2026	–	–	–	–	30 series B shares	6 series B shares
Antti Syvänen	Deputy[1]	–	2026	–	–	–	–	30 series B shares	6 series B shares

1) Employee representative.
2) Own holdings and holdings of close relatives and legal entities set up for the benefit of the Board member, or his/her close relatives, under the assumption that the separation of SKF Vertevo from SKF was completed with record date on 30 September 2026, i.e., refers to the shareholding in SKF as per the said date (and known changes thereafter). The Board members' respective shareholding in SKF Vertevo as per the first day of trading of the shares in SKF Vertevo, which is estimated to be 1 December 2026, may differ from the shareholding presented herein. See "*Compensation to Board members*" below for information on synthetic shares.
3) As of 30 September 2026 (and known changes thereafter) and based on the distribution ratio that every five (5) shares in SKF entitle to one (1) share of the same series in SKF Vertevo.



HÅKAN BUSKHE

Chair of the Board

Born 1963. Chair of the Board since 2025. Chair of the People Committee and member of the Audit and Sustainability Committee.

Education and professional experience: Master of Science, Licentiate of Engineering, Chalmers University of Technology, Sweden. Former CEO and President of SAAB AB, CEO of E.ON Nordic AB and CEO of Wallenberg Investments Holdings AB (formerly FAM AB).

Principal activities outside of the SKF Vertevo Group: CEO of Stegra AB.

Current board assignments and similar: Chair of Stora Enso Oyj and DCHLB2 AB. Vice Chair of SKF. Board member of New Stegra HoldCo AB, Grand Hospitality Group Blasieholmen AB, Royal Swedish Academy of Engineering Sciences (IVA) and the Swedish Defence University.

Independent of the Company and its Executive Management Team, but not in relation to the Company's major shareholders.



THERESE FRIBERG

Born 1975. Member of the Board since 2025. Chair of the Audit and Sustainability Committee and member of the People Committee.

Education and professional experience: Bachelor of Science in Business Administration from Stockholm University, Sweden. Former board member of AB SKF.

Principal activities outside of the SKF Vertevo Group: Group CFO at AB Electrolux.

Current board assignments and similar: Board member of certain subsidiaries of AB Electrolux.

Independent of the Company and its Executive Management Team as well as in relation to the Company's major shareholders.



HOCK GOH

Born 1955. Member of the Board since 2025.

Education and professional experience: Bachelor's degree in Mechanical Engineering from Monash University, Australia. Advanced Management Programme at INSEAD, France. Former Operating Partner at Baird Asia Partners (an affiliate of RW Baird & Co.). Chair of MEC Resources Ltd. Former board member of AB SKF, Stora Enso Oyj, Santos Ltd, Harbour Energy and Vesuvius plc. Previous experience from several senior management positions in Schlumberger Limited.

Principal activities outside of the SKF Vertevo Group: –

Current board assignments and similar: Chair of NetGain Systems Pte Ltd.

Independent of the Company and its Executive Management Team as well as in relation to the Company's major shareholders.



PHILIP AHLGREN

Born 1989. Board member since 2025. Member of the Audit and Sustainability Committee and the People Committee.

Education and professional experience: Master of Science in Finance from Stockholm School of Economics, Sweden.

Principal activities outside of the SKF Vertevo Group: Partner at Cevian Capital.

Current board assignments and similar: –

Independent of the Company and its Executive Management Team as well as in relation to the Company's major shareholders.



JUMANA AL-SIBAI

Born 1972. Member of the Board since 2026.

Education and professional experience: Diploma in Industrial Engineering from Karlsruhe Institute of Technology (KIT), Germany. Former Management Board member at MAHLE GmbH and senior leadership positions in Robert Bosch GmbH.

Principal activities outside of the SKF Vertevo Group: –

Current board assignments and similar: Board member of Atlas Copco AB. Member of the Advisory Board for Frankfurt School of Finance & Management.

Independent of the Company and its Executive Management Team as well as in relation to the Company's major shareholders.



EBBA BONDE

Born 1980. Member of the Board since 2026.

Education and professional experience: Master of Science in Applied Mathematics & Statistics from Johns Hopkins University, United States, MBA at Harvard Business School, United States. Former COO at Anticimex Global, Business Development at Skandia and Consultant at Bain & Company Nordic.

Principal activities outside of the SKF Vertevo Group: COO and deputy CEO at Ramudden Global.

Current board assignments and similar: Board member of certain subsidiaries of the Ramudden Group.

Independent of the Company and its Executive Management Team as well as in relation to the Company's major shareholders.



MARIA HEMBERG

Born 1964. Member of the Board since 2026.

Education and professional experience: Master of Laws from Lund University, Sweden. Former General Counsel and Chief Legal Officer at Volvo Car Group, legal counsel at SKF and lawyer at Mannheimer Swartling Advokatbyrå.

Principal activities outside of the SKF Vertevo Group: –

Current board assignments and similar: Chair of Adamson & Partners Ltd.

Independent of the Company and its Executive Management Team as well as in relation to the Company's major shareholders.



KERSTIN ENOCHSSON

Born 1975. Member of the Board and President and CEO since 2026.

See "*Executive Management Team*" below.

Independent in relation to the Company's major shareholders, but not in relation to the Company and its Executive Management Team.

Employee representatives



THERES GEBL

Born 1980. Member of the Board since 2026. Employee representative of Unionen.

Education and professional experience: Higher vocational education in Business Economics from IHM Business School, Sweden, Higher vocational education in Electronics and Data Communication from Östrabokskolan, Sweden. Employed at SKF since 2012, currently as Automotive Customer Quality Engineer within Automotive Sales EMEA, Customer Warranty & Quality EMEA, and previously as in-house sales coordinator and account manager.

Principal activities outside of the SKF Vertevo Group: –

Current board assignments and similar: Chair of Unionen Automotive SKF Vertevo.



ANTTI SYVÄNEN

Born 1976. Deputy board member since 2026. Employee representative of Unionen.

Education and professional experience: Studies in economics and finance at the School of Economics, Business and Law at Gothenburg University, Sweden. Employed at SKF since 2008, currently as Financial Analytics Expert within Finance & Controlling, previously as Global Account Contract Manager, Forecast Manager EMEA, Performance Analyst Group Purchasing, Financial Controller and Financial Analytics Expert.

Principal activities outside of the SKF Vertevo Group: –

Current board assignments and similar: Board member of Unionen Automotive SKF Vertevo.

EXECUTIVE MANAGEMENT TEAM

Name	Position	Employed since	Shareholding in SKF[1)]	Entitled to number of shares in SKF Vertevo[2)]
Kerstin Enochsson	President and CEO	2023	–	–
Niclas Sjöswärd	CFO, SVP Finance & IT	2026	131 series B shares	26 series B shares
Fredrik Larsson	SVP Business Lines & Product Management	2001	5,070 series B shares	1,014 series B shares
Olaf Henning	SVP Vehicle Aftermarket	2024	–	–
Bastian Thomas	SVP EMEA, India & Americas	2024	–	–
Hao Chu	SVP China & Asia Pacific	2020	–	–
Antonio Molle	SVP Manufacturing Operations, Quality & EHS	1994	2,771 series B shares	554 series B shares
Johan Lidell	SVP Procurement & Supply Chain	2024	–	–
Federico Galetto	CTO, SVP R&D	2010	1,916 series B shares	383 series B shares
Magnus Prick	General Counsel, SVP Legal & Compliance	2025	–	–
Angela Toro	SVP People Experience & Communication	2003	2,771 series B shares	554 series B shares

1) Own holdings and holdings of close relatives and legal entities set up for the benefit of the Executive Management Team member, under the assumption that the separation of SKF Vertevo from SKF was completed with record date on 30 September 2026, i.e., refers to the shareholding in SKF as per the said date (and known changes thereafter). The Executive Management Team members' respective shareholding in SKF Vertevo as per the first day of trading of the shares in SKF Vertevo, which is estimated to be 1 December 2026, may differ from the shareholding presented herein.
2) As of 30 September 2026 (and known changes thereafter) and based on the distribution ratio that every five (5) shares in SKF entitle to one (1) share of the same series in SKF Vertevo.



KERSTIN ENOCHSSON

Born 1975. President and Chief Executive Officer since 2026 (President Automotive in SKF since 2023) and employed since 2023.

Education and professional experience: Master of Business Administration from the ESCP-EAP European School of Management, France. Master of Laws from Freie Universität of Berlin, Germany. President of SKF Automotive. Former senior roles at Volvo Car Group and AB Volvo – Volvo Construction Equipment.

Current board assignments and similar: Board member of SSAB AB.



NICLAS SJÖSWÄRD

Born 1974. CFO, SVP Finance & IT since 2026 and employed since 2026.

Education and professional experience: Bachelor of Science in Business Administration from Gothenburg School of Economics, Sweden. Former Group CFO at Arjo AB. Senior finance roles at Getinge AB and AB Volvo.

Current board assignments and similar: –



FREDRIK LARSSON

Born 1975. SVP Business Lines & Product Management since 2026 and employed since 2001.

Education and professional experience: Master of Science in Mechanical Engineering from Chalmers University of Technology, Sweden. Several commercial and strategy leadership roles at SKF Automotive.

Current board assignments and similar: –



OLAF HENNING

Born 1967. SVP Vehicle Aftermarket since 2026 and employed since 2024.

Education and professional experience: Certificate degree in Product Engineering from University of Furtwangen, Germany/De Montfort University, United Kingdom, Executive Leadership Programmes at Carnegie Mellon University, Tepper School of Business, United States. Leadership roles at SKF, MAHLE, Bosch and Michelin.

Current board assignments and similar: Board member of Partslife GmbH.



BASTIAN THOMAS

Born 1982. SVP EMEA, India & Americas since 2026 and employed since 2024.

Education and professional experience: Diploma in Industrial Engineering from Munich University of Applied Sciences (HM), Germany. Senior leadership roles at SKF Automotive, Grammer, Volvo Car Group and BMW.

Current board assignments and similar: –



HAO CHU

Born 1982. SVP China & Asia Pacific since 2026 and employed since 2020.

Education and professional experience: Master of Science in Mechanical Engineering from Shanghai Jiao Tong University, China. Senior leadership roles at SKF Automotive APAC. Former executive and senior leadership roles within GKN.

Current board assignments and similar: –



FEDERICO GALETTO

Born 1985. CTO, SVP R&D since 2026 and employed since 2010.

Education and professional experience: Master of Science in Automotive Engineering from Polytechnic University of Turin, Italy. Several leadership roles at SKF.

Current board assignments and similar: –



JOHAN LIDELL

Born 1990. SVP Procurement & Supply Chain since 2026 and employed since 2024.

Education and professional experience: Master of Science in International Business from University College Dublin, Smurfit Graduate Business School, Ireland. Former senior procurement leader at Volvo Car Group.

Current board assignments and similar: –



ANTONIO MOLLE

Born 1966. SVP Manufacturing Operations, Quality & EHS since 2026 and employed since 1994.

Education and professional experience: Master of Science in Mechanical Engineering from University of Cassino and Southern Lazio, Italy, Executive MBA from SDA Bocconi School of Management, Italy. Leadership roles at SKF.

Current board assignments and similar: –



MAGNUS PRICK

Born 1984. General Counsel, SVP Legal & Compliance since 2026 and employed since 2025.

Education and professional experience: Master of Laws and Bachelor of Business Administration from Gothenburg School of Business, Economics and Law, Sweden. Former Head of Legal M&A at Volvo Car Group, legal counsel at the Volvo Group and lawyer at Mannheimer Swartling Advokatbyrå.

Current board assignments and similar: –



ANGELA TORO

Born 1977. SVP People Experience & Communication *since 2026 and employed since 2003.*

Education and professional experience: Master of Science in Economics and Business Administration from University of Turin, Italy, HR Executive Master from SAA Business School Turin, Italy. Several leadership roles within human resources at SKF.

Current board assignments and similar: –

OTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM

All members of the Board of Directors and the Executive Management Team can be reached through SKF Vertevo's address Sven Wingquists Gata 2, SE-415 05 Gothenburg, Sweden.

There are no family relationships between any of the members of the Board of Directors and/or the Executive Management Team. No board member or senior executive has been convicted in any case involving fraudulence during the past five years. None of them have been involved in any bankruptcy, receiverships or liquidation during the past five years in the capacity of a member of administrative, management or supervisory bodies or a senior executive. No official public incrimination and/or sanctions have been issued by statutory or regulatory authorities (including designated professional bodies) during the past five years against any of the members of the Board of Directors or the Executive Management Team. Nor, during the past five years, has any member of the Board of Directors or the Executive Management Team 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 issuer.

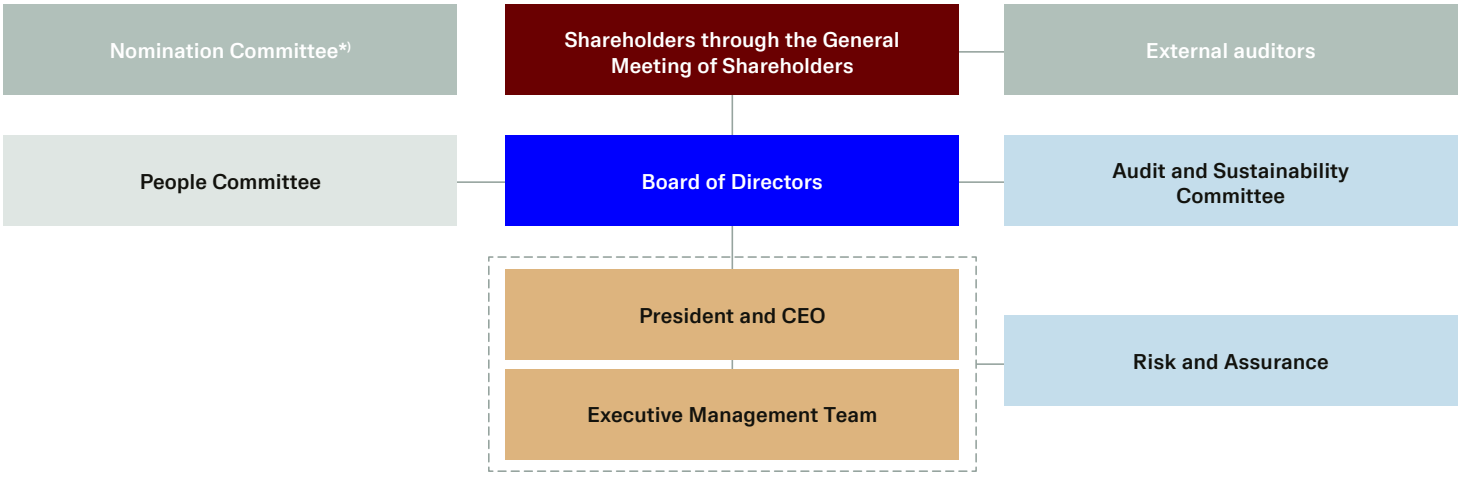
AUDITOR

Deloitte AB (Kyrkogatan 48, SE-411 08 Gothenburg, Sweden) is SKF Vertevo's auditor since 2024. Deloitte was elected at a General Meeting in 2026 for the period until the end of the Annual General Meeting 2028. Hans Warén, authorised public accountant and a member of FAR (the professional institute for authorised public accountants in Sweden), is auditor-in-charge since 2024.

CORPORATE GOVERNANCE REGIME

The governance of SKF Vertevo is based on the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Nordic Main Market Rulebook for Issuers of Shares, the European Union Market Abuse Regulation, the Swedish Code of Corporate Governance (the "**Code**"), and other relevant Swedish and foreign laws and regulations as well as internal governing documents. The Code is based on the "comply or explain" principle. This principle means that a company does not have to comply with every rule of the Code, but rather have the possibility of choosing alternative solutions that the company deems to be better suited based on its particular circumstances, provided that the company reports every deviation, describes the alternative solution and explains the reason for the deviation in the corporate governance report. SKF Vertevo will apply the Code without any deviation as from the listing on Nasdaq Stockholm.

Corporate governance structure



*) At the Extraordinary General Meeting held on 25 August 2026, Nomination Committee instructions, including rules on the formation of the committee, were adopted. The Nomination Committee shall be comprised of members appointed by each of the four largest shareholders in terms of votes, as at the last banking day of August each year, and the Chair of the Board. However, ahead of the Annual General Meeting 2027, the composition of the Nomination Committee will be based on the shareholding as at the last banking day of December 2026.

Internal control

The process for internal control, risk assessment, control activities, information and communication and monitoring is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliable financial and sustainability reporting in accordance with applicable laws and regulations and other requirements, and compliance with applicable laws and regulations. This process involves the Board of Directors, the Audit and Sustainability Committee, the Executive Management Team and all employees.

SKF Vertevo applies the established framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), implemented throughout the Group. The Board of Directors has overall responsibility for ensuring that SKF Vertevo's risk management, governance and internal control structures are appropriate and effective, while the President and CEO is responsible for establishing and maintaining an effective corporate governance and internal control framework. Through its policies, directives, and organisational structure, SKF Vertevo has documented the division of responsibility throughout the SKF Vertevo organisation. Policies and other governing documents, together with applicable laws and regulations, form part of SKF Vertevo's control environment and are made available to relevant employees. Policies and directives are reassessed by the responsible function and updated when considered necessary to reflect changes in the business, processes and external requirements. SKF Vertevo is a process-oriented company and includes integrated risk assessment with the business processes such as business planning. In the area of control activities, SKF Vertevo has documented the critical finance processes and controls for the parent company and subsidiary companies.

Control activities

The documentation standards require that relevant controls in the business processes are described and performed. When deficiencies in individual controls are identified, action plans are created to remediate control gaps. Selected key controls are evaluated through a risk-based monitoring programme that includes self-assessments, control testing and follow-up of remediation activities. Identified deficiencies and remediation actions are tracked and monitored through the Group's internal control process. The results of these evaluations are periodically reported to the Executive Management Team, the Audit and Sustainability Committee and the Board of Directors.

Information and communication

SKF Vertevo has information and communication systems and procedures in place in order to ensure the completeness and correctness of the financial reporting. Accounting and reporting instructions are updated when necessary. These instructions are available to all relevant employees together with training material. Changes to accounting and reporting instructions are communicated regularly. Detailed financial process and control documentation is maintained centrally and/or locally, as appropriate, to support the performance of controls, retention of supporting evidence and monitoring of the internal control framework.

Internal control function

SKF Vertevo has an internal control function, with the main responsibility of supporting the implementation and maintenance of the Group's internal control framework, coordinating internal control assessments and monitoring the remediation of identified control deficiencies. The Head of Internal Control oversees the design, implementation and continuous improvement of the internal

control framework. The Head of Internal Control reports to the Head of Risk & Assurance, who is responsible for the overall coordination, monitoring and reporting of internal control activities, including reporting the results of internal control evaluations to the Executive Management Team, the Audit and Sustainability Committee and the Board of Directors.

Internal audit

The internal audit function is an independent and objective assurance and consulting function that operates under the oversight of the Audit and Sustainability Committee and conducts audits within prioritised areas. The internal audit function applies a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and internal control processes, including the Group's internal control framework. Its activities are performed in accordance with the Internal Audit Charter and a separate risk-based Internal Audit Plan, and its results are reported directly to the Audit and Sustainability Committee.

COMPENSATION TO BOARD MEMBERS

The Annual General Meeting determines the compensation to the Board of Directors for a period of one year until the end of the next Annual General Meeting. The compensation is distributed between the Chair, other members of the Board of Directors and remuneration for committee work. No compensation is paid to members of the Board of Directors who are employed by the Company (such as the President and CEO) or to the employee representatives.

The Annual General Meeting 2026 resolved that the board fees for the period until the end of the Annual General Meeting 2027 should be SEK 2,300,000 to the Chair of the Board of Directors and SEK 850,000 to each other member of the Board of Directors elected by the General Meeting, of which 30 per cent shall be converted and consist of a variable Board fee consisting of synthetic shares. The synthetic shares represent a future payment, the value of which corresponds to the value of a series B share at the time of payment. The number of synthetic shares to be allotted is determined based on the average trading price of the series B share during the 30 trading days following the first day of trading. Qualification is made on a pro-rata basis from the day after the Annual General Meeting 2026 to the day of the Annual General Meeting 2027. The synthetic shares will be paid after the publication of the quarterly report for the first quarter of 2030, with the payable amount determined based on the average trading price of the series B share during the five trading days immediately following such publication. In case a Board member resigns or is not re-elected, the Board member may request that the time of payment be brought forward, and shall instead occur after the publication of the next year-end report.

In addition, it was resolved that a fee of SEK 385,000 shall be paid to the Chair of the Audit and Sustainability Committee and that a fee of SEK 275,000 shall be paid to each of the other committee members, while a fee of SEK 220,000 shall be paid to the Chair of the People Committee and that a fee of SEK 165,000 shall be paid to each of the other committee members.

Each member of the Board shall also be entitled to remuneration for travel to attend a physical Board meeting in Sweden in an amount of EUR 5,000 for intercontinental travel and EUR 2,000 for continental travel outside of the country of the Board member's residence.

It was resolved at an Extraordinary General Meeting held on 2 December 2025 that fees corresponding to the fees resolved on by the Annual General Meeting 2026 should be paid prorated on a yearly basis for the period from the election of each member of the Board of Directors until the Annual General Meeting 2026 (with members who simultaneously served on the Boards of Directors of both SKF and SKF Vertevo being entitled to 50 per cent of the otherwise applicable prorated fee). Board fees attributable to 2025 amounted to SEK 105,000 for Håkan Buskhe, SEK 107,500 for Philip Ahlgren, SEK 58,333 for Therese Friberg and SEK 35,417 for Hock Goh.[1] Jumana Al-Sibai, Ebba Bonde, Maria Hemberg and Kerstin Enochsson were elected to the Board of Directors on 29 January 2026 and consequently were not entitled to Board fees attributable to 2025 (Kerstin Enochsson is employed by the Company and is therefore not entitled to Board fees in any event).

1) 30 per cent of the ordinary Board fees attributable to 2025 consists of synthetic shares.

REMUNERATION TO THE EXECUTIVE MANAGEMENT TEAM

Remuneration to the members of the Executive Management Team consists of fixed salary, variable salary, pension benefits and other benefits. Remuneration to the President and CEO as well as the other members of the Executive Management Team in 2025 are presented in the table below.

For additional information, including a description of incentive programmes, see "*Note 21 – Remuneration to key management*" on page F-45 and onwards in "*Historical financial statements*".

	Fixed salary		Short-term variable salary		Performance Share Programmes		Gross pension costs[4]	
SEK	Fixed salary and other benefits[1] (amounts paid[2] in 2025)	Fixed salary and other benefits[1] (amounts expensed[3] in 2025)	Amounts paid[2] in 2025 related to 2024	Amounts expensed[3] in 2025	Amounts paid[2] in 2025 related to prior years	Amounts expensed in 2025[3]	Amounts expensed[3] in 2025	Total expensed in 2025
President and CEO	4,816,570	4,816,570	751,369	348,030	–	1,498,640	1,655,183	8,318,423
Other members of Executive Management Team[5]	22,948,487	22,948,487	1,141,941	1,449,579	10,639,632	9,936,120	5,057,713	39,391,900
Total 2025	**27,765,057**	**27,765,057**	**1,893,310**	**1,797,609**	**10,639,632**	**11,434,760**	**6,712,896**	**47,710,322**

1) Other benefits include, for example, company car and medical insurance.
2) Amounts paid represent the cash outflow and are the amounts received by the individual in a specific calendar year (this can include payments for, for example, incentives earned in a prior year but paid out in the subsequent year).
3) Amounts expensed refers to the costs for services rendered during the specific calendar year by the individual but can also include adjustments or reversals to prior years. A difference between amounts paid and amounts expensed can arise as the timing of the expense can be occurring in a different calendar year than the cash outflow to the individual.
4) Represents premiums paid under defined contribution plans as well as gross service costs under defined benefit plans. The Executive Management Teams' pension plans are defined contribution plans, defined benefit plans or a combination thereof. As at 31 December 2025, the total amount set aside or accrued by the Group to provide pension, retirement or similar benefits to members of the Executive Management Team amounted to MSEK 2.2.
5) Other members of Executive Management Team include nine persons in 2025.

Remuneration guidelines

SKF Vertevo's current guidelines for remuneration to senior executives were adopted by an Extraordinary General Meeting held on 17 July 2026, and set out the principles for remuneration of SKF Vertevo's Executive Management Team. The total remuneration for the Executive Management Team shall comprise fixed salary, variable salary, pension benefits, and other benefits.

- *Fixed salary* shall be market-competitive and based on competence, responsibility, experience and performance, with annual market benchmarks and continuous performance monitoring forming the basis for annual salary reviews.
- *Variable salary* shall be designed to incentivise and reward value-creating results that advance SKF Vertevo's operational, financial or sustainability objectives, and shall represent a significant portion of the total compensation opportunity. Variable salary shall always be governed by predetermined, measurable criteria, primarily reflecting the Group's financial performance (such as results, growth and capital efficiency) or advancing the Group's sustainability objectives. Variable compensation consists of cash-based short-term incentive programmes, assessed over a one-year period, and long-term incentive (**"LTI"**) programmes, which may be cash-based, share-based or share-related. Share-based and share-related LTI programmes are resolved upon by the General Meeting and are therefore excluded from the guidelines. In exceptional circumstances, provided such arrangements are time-limited variable salary may be granted on an individual basis for recruitment or retention purposes, or as compensation for performance beyond ordinary duties. Long-term variable cash salary, short-term variable cash salary and exceptional variable cash salary shall each not exceed 100 per cent of the annual fixed salary.
- *Pension*, including permanent health or disability insurance, shall be based on defined-contribution models unless a defined-benefit plan is required by mandatory law or collective agreements, and the total cost of pension premiums may not exceed 40 per cent of the annual fixed salary.
- *Other benefits*, such as a company car or medical health care insurance, shall reflect local conditions and practice and may not exceed 10 per cent of the annual fixed salary. Where justified by the specific circumstances of cross border assignments, expatriates and persons relocating from or back to their home country, or who work in multiple countries, may receive additional remuneration and benefits, in total not exceeding 80 per cent of the fixed cash salary.

The Board of Directors may temporarily derogate from the guidelines, in whole or in part, where special circumstances justify such deviation and where it is necessary to safeguard SKF Vertevo's long-term interests, including its sustainability, or to ensure its financial viability. The People Committee is responsible for preparing the Board of Directors' resolutions on remuneration matters, including any decisions to derogate from the guidelines.



FINANCIAL INFORMATION

SELECTED HISTORICAL FINANCIAL INFORMATION

The combined historical financial information presented below for the financial years 2025 and 2024 (other than alternative performance measures, APMs) has been derived from SKF Vertevo's audited combined financial statements for each respective financial year, which have been prepared in accordance with IFRS and the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Financial Reporting Board and audited by the Company's auditor Deloitte AB, as set forth in the audit report included elsewhere in this prospectus. The combined historical financial information presented below for the nine months ended 30 September 2026 and 2025, respectively, (other than APMs) has been derived from SKF Vertevo's unaudited combined financial statements for the period January to September 2026, which have been prepared in accordance with IAS 34 (Interim Financial Reporting). SKF Vertevo's unaudited combined financial statements for the period January to September 2026 have, as regards the nine months ended 30 September 2026, been reviewed by the Company's auditor Deloitte AB, as set forth in the auditor's report included elsewhere in this prospectus.

The complete audited combined historical financial statements for the financial years 2025 and 2024, including the related notes and audit report, as well as the complete unaudited combined financial statements for the period January to September 2026, including the related notes and auditor's review report, are included in "*Historical financial statements*" beginning on page F-1. See also "*Persons responsible, third-party information and competent authority approval–Financial information*".

With the exception of the historical financial information on pages F-2–F-20 and F-21–F-52 respectively, in "*Historical financial statements*", no information in this prospectus has been audited or reviewed by the Company's auditor.

Combined income statement

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net sales	18,035	19,071	24,725	28,133
Cost of goods sold	–15,543	–16,426	–21,456	–23,387
Gross profit[1]	**2,492**	**2,645**	**3,269**	**4,745**
Research and development expenses	–398	–166	–255	–224
Selling expenses	–1,940	–2,275	–3,023	–2,798
Administrative expenses	–328	–109	–142	–146
Other operating income	128	667	827	374
Other operating expense	–660	–1,006	–1,333	–722
Operating profit[2]	**–707**	**–244**	**–657**	**1,230**
Financial income	106	111	129	200
Financial expense	–423	–398	–584	–241
Profit before taxes	**–1,024**	**–531**	**–1,112**	**1,189**
Income tax	–6	–23	–11	–218
Net profit	**–1,030**	**–554**	**–1,122**	**971**
Net profit attributable to:				
Shareholders of the parent company	–681	–593	–1,208	897
Non-controlling interests	–349	39	85	74
Earnings per share (SEK), before and after dilution	–7.48	–6.51	–13.26	9.85

1) Gross profit includes items affecting comparability within cost of goods sold. Adjusted gross profit for 2025 was MSEK 4,059 compared to MSEK 4,925 for 2024. For the nine-month period ended 30 September 2026, adjusted gross profit amounted to MSEK 3,320 compared to MSEK 3,302 for the corresponding period 2025.
2) Operating profit includes items affecting comparability. Adjusted operating profit for 2025 was MSEK 903 compared to MSEK 1,567 for 2024. For the nine-month period ended 30 September 2026, adjusted operating profit amounted to MSEK 917 compared to MSEK 870 for the corresponding period 2025.

Combined balance sheets

MSEK	30 Sep 2026	30 Sep 2025	31 Dec 2025	31 Dec 2024
Goodwill	333	373	312	453
Other intangible assets	235	218	211	283
Property, plant and equipment	6,921	8,339	8,095	9,596
Right-of-use asset	390	624	612	693
Non-current financial assets	36	181	29	227
Deferred tax assets	1,082	382	419	391
Other non-current assets	106	20	121	22
Non-current assets	**9,104**	**10,136**	**9,798**	**11,665**
Inventories	7,407	7,763	7,494	8,809
Trade receivables	5,227	4,505	4,050	4,468
Other current assets	3,699	1,567	1,617	1,218
Other current financial assets	525	15	263	94
Cash and cash equivalents	2,083	1,346	1,332	1,173
Current assets	**18,941**	**15,196**	**14,757**	**15,761**
Total assets	**28,045**	**25,332**	**24,555**	**27,427**
Equity attributable to shareholders of the parent company	12,082	11,917	9,773	13,415
Equity attributable to non-controlling interests	947	951	738	1,010
Total equity	**13,030**	**12,869**	**10,511**	**14,425**
Non-current financial liabilities	750	247	83	289
Non-current lease liabilities	297	246	249	218
Provisions for post-employment benefits	228	292	263	340
Deferred tax liabilities	669	5	96	22
Other non-current provisions	169	266	232	121
Other non-current liabilities	17	30	61	48
Non-current liabilities	**2,129**	**1,086**	**984**	**1,039**
Trade payables	4,448	4,552	4,904	5,638
Current provisions	524	457	584	181
Current lease liabilities	147	110	118	76
Other current financial liabilities	3,675	3,481	4,562	3,462
Other current liabilities	4,091	2,778	2,892	2,607
Current liabilities	**12,886**	**11,378**	**13,060**	**11,964**
Total equity and liabilities	**28,045**	**25,332**	**24,555**	**27,427**

Combined statements of cash flows

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Operating activities:				
Operating profit	–707	–244	–657	1,230
Non–cash items:				
Depreciation, amortisation and impairment	810	561	673	562
Net loss/gain (–) on sale of property, plant and equipment	34	4	4	–3
Other non–cash items[1]	–69	692	830	113
Income taxes paid	95	–12	184	–576
Contributions to and payments under post–employment defined benefit plans	–26	–19	–25	–28
Changes in working capital:				
Inventories	510	466	559	–1,531
Accounts receivable	–728	–581	–255	501
Accounts payable	–877	–581	–109	1,460
Other operating assets/liabilities	–1,100	–169	–285	260
Interest and other financial items	–317	–287	–455	–41
Net cash flow from operating activities	**–2,375**	**–168**	**463**	**1,945**
Investing activities:				
Additions to property, plant and equipment	–610	–789	–1,076	–1,097
Additions to intangible assets	–0	–0	–0	–1
Sale of property, plant and equipment	179	156	211	92
Investment in/sale of equity securities	–9	–	–9	–
Net cash flow used in investing activities	**–441**	**–634**	**–875**	**–1,005**
Net cash flow after investments before financing	**–2,815**	**–802**	**–412**	**940**
Financing activities:				
Proceeds from current and non–current loans	4,644	1,027	2,189	915
Repayments of current and non–current loans	–4,375	–588	–720	–124
Repayment of leases	–93	–27	–98	–174
Investments in financial assets	–13	–1	–1	–95
Sale of financial assets	16	8	162	–
Other financing items	–211	70	–281	140
Net cash flow from financing activities	**–31**	**488**	**1,251**	**663**
Net cash flow	**–2,846**	**–313**	**839**	**1,603**
Cash and cash equivalents at the beginning of the year	1,332	1,173	1,173	1,550
Exchange rate effect	513	–160	–133	–178
Transactions with SKF Group[2]	3,084	647	–546	–1,801
Cash and cash equivalents at end of the period	**2,083**	**1,346**	**1,332**	**1,173**

1) Other non-cash items primarily consist of changes in provisions.
2) Transactions with SKF Group consist of effects on cash from cash flows included in SKF Vertevo's combined financial statements relating to legal entities that will remain part of the SKF Group following the separation.

Key performance indicators

SKF Vertevo presents certain key operating metrics below, including measures that are not defined under IFRS (alternative performance measures, APMs). See "*Information about the prospectus–Alternative performance measures (non-IFRS measures)*" for further information. The components included in the calculations of the APMs have been derived from SKF Vertevo's financial reports and SKF Vertevo's internal reporting system. The APMs have not been audited or reviewed by the Company's auditor.

MSEK (unless otherwise stated)	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net sales	18,035	19,071	24,725	28,133
Organic growth, %[1]	–2.2	N/A	–5.6	N/A
Adjusted earnings per share, SEK[1]	10.35	5.72	3.87	13.55
Adjusted EBITDA[1]	1,443	1,301	1,490	2,093
Adjusted EBITDA margin, %[1]	8.0	6.8	6.0	7.4
Adjusted gross profit[1]	3,320	3,302	4,059	4,925
Adjusted gross margin, %[1]	18.4	17.3	16.4	17.5
Adjusted net profit[1]	594	560	438	1,308
Adjusted operating profit[1]	917	870	903	1,567
Adjusted operating margin, %[1]	5.1	4.6	3.7	5.6
Items affecting comparability[1]	–1,624	–1,114	–1,560	–337
Of which: Items affecting comparability within cost of goods sold[1]	–827	–657	–790	–180
Gross profit[1]	2,492	2,645	3,269	4,745
Gross margin, %[1]	13.8	13.9	13.2	16.9
Operating profit/loss[1]	–707	–244	–657	1,230
Operating margin, %[1]	–3.9	–1.3	–2.7	4.4
Net working capital, % of net sales[1]	34.6	N/A[2]	26.9	27.2
ROCE, %[1]	–6.2	N/A[2]	–3.5	7.1
Adjusted ROCE, %[1]	5.5	N/A[2]	5.5	8.9
Adjusted ROCE excluding cash and cash equivalents, %[1]	6.1	N/A[2]	5.9	9.6
Return on equity (ROE), %[1]	–12.3	N/A[2]	–9.0	6.6
Gearing, %[1]	28.1	25.4	33.4	23.3
Equity/assets ratio, %[1]	46.5	50.8	42.8	52.6
Additions to property, plant and equipment[1]	610	789	1,076	1,097
Net debt[1]	2,488	3,012	3,681	3,125
Net debt/EBITDA[1]	–12.0	N/A[2]	320.9	1.7
Net debt/adjusted EBITDA[1]	1.5	N/A[2]	2.5	1.5
Net debt/equity, %[1]	19.1	23.4	35.0	21.7
Net debt/equity, excluding post-employment benefits, %[1]	17.4	21.1	32.5	19.3
Registered number of employees	7,435	7,472	7,499	7,564

1) Alternative performance measure (non-IFRS measure).
2) KPI not calculated for January–September 2025 due to the unavailability of certain 2024 information required for the rolling twelve months' calculation.

Definitions and reconciliation of alternative performance measures

Measure	Definition	Reason for use
Additions to property, plant and equipment	Investments relating to acquisition of property, plant and equipment.	SKF Vertevo considers additions to property, plant and equipment to be an important key performance indicator to present how the Group uses part of its cash flow to reinvest in and maintain a long-term development.
Adjusted earnings per share, SEK	Earnings per share based on adjusted net profit attributable to shareholders, excluding items affecting comparability (no tax adjustment).	SKF Vertevo considers adjusted earnings per share to be a relevant measure for presenting the Group's earnings per share for the period, excluding items affecting comparability.
Adjusted EBITDA	Operating profit excluding items affecting comparability (total) before depreciations, amortisations, and impairments.	SKF Vertevo considers EBITDA to be a useful indicator of the Group's performance. Adjusted EBITDA provides investors an indication of the underlying business' ability to generate cash and cash equivalents and pay its debts.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of net sales.	SKF Vertevo considers adjusted EBITDA margin to be a useful indicator of the underlying business' ability to convert revenues into cash and cash equivalents.
Adjusted gross profit	Gross profit excluding items affecting comparability within cost of goods sold.	SKF Vertevo considers adjusted gross profit to be a relevant measure to present profitability after production related costs excluding items affecting comparability.
Adjusted gross margin, %	Gross margin excluding items affecting comparability within cost of goods sold.	SKF Vertevo considers adjusted gross margin to be a relevant measure to present profitability after production related costs excluding items affecting comparability.
Adjusted net profit	Net profit excluding items affecting comparability (no tax adjustment).	SKF Vertevo considers adjusted net profit to be a relevant performance measure as it provides a view of net profit for the period excluding items affecting comparability.
Adjusted operating profit	Operating profit excluding items affecting comparability.	SKF Vertevo considers adjusted operating profit to be a relevant measure to present profitability of the underlying business, excluding items affecting comparability.
Adjusted operating margin, %	Operating profit margin excluding items affecting comparability.	SKF Vertevo considers adjusted operating margin to be a relevant measure for comparing profitability of the underlying business, excluding items affecting comparability over time.
Adjusted return on capital employed (adjusted ROCE)	Return on capital employed (ROCE) excluding items affecting comparability.	SKF Vertevo considers return on capital employed excluding items affecting comparability relevant for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitment. Adjusted return on capital employed is considered to be more stable over time as compared to return on capital employed.
Adjusted return on capital employed, excluding cash and cash equivalents	Return on capital employed (ROCE) excluding items affecting comparability and cash and cash equivalents.	SKF Vertevo considers return on capital employed excluding cash and cash equivalents and items affecting comparability relevant for implementing strategic investments and considering the Group's ability to meet its financial commitment. Adjusted return on capital employed excluding cash and cash equivalents is considered to be more stable over time as compared to return on capital employed.

Measure	Definition	Reason for use
Capital employed	Twelve months' rolling average of total assets less the average of other non-current provisions, current provisions, deferred tax liabilities, other non-current liabilities, trade payables and other current liabilities.	SKF Vertevo considers capital employed, as a component, relevant for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments. Capital employed is used in the calculation of adjusted ROCE.
Equity/assets ratio, %	Equity as a percentage of total assets.	SKF Vertevo considers equity relevant for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitment.
Gross profit	Net sales less cost of goods sold.	SKF Vertevo considers gross profit to be a relevant measure for comparing profitability after production costs over time.
Gross margin, %	Gross profit as a percentage of net sales.	SKF Vertevo considers gross margin to be a relevant measure for comparing profitability after production costs over time.
Gearing, %	Non-current financial liabilities, other current financial liabilities excluding current derivative liabilities, provision for post-employment benefits and non-current lease liabilities (debt) as a percentage of the sum of debt and total equity.	SKF Vertevo considers gearing ratio to be useful as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments. Gearing ratio is also used to provide investors with an understanding of the company's leverage, financial risk, and capital structure.
Items affecting comparability	Significant income/expenses that, due to amount or type of transaction, affect comparability between accounting periods. This includes, but is not limited to, restructuring costs, separation costs of SKF Vertevo from SKF including build-up of new organisation structure, impairments and write-offs, currency effects caused by devaluations and gains and losses on divestments of businesses.	SKF Vertevo considers items affecting comparability to have significant impact on the comparability of operational performance.
Items affecting comparability within cost of goods sold	Significant expenses within cost of goods sold that, due to amount or type of transaction, affect comparability between accounting periods. This includes, but is not limited to, restructuring costs, separation costs of SKF Vertevo from SKF including build-up of new organisation structure, impairments and write-offs, currency effects caused by devaluations.	SKF Vertevo considers items affecting comparability within cost of goods sold to have significant impact on the comparability of gross profitability.
Net debt	Non-current financial liabilities, current lease liabilities, other current financial liabilities (excluding current derivative liabilities), provision for post-employment benefits and non-current lease liabilities less other current financial assets and cash and cash equivalent excluding derivatives.	SKF Vertevo considers net debt to be relevant to present as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments.
Net debt/adjusted EBITDA	Net debt, in relation to twelve months' rolling EBITDA excluding items affecting comparability.	SKF Vertevo considers that net debt to adjusted EBITDA is useful as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments.

Measure	Definition	Reason for use
Net debt/EBITDA	Net debt, in relation to twelve months' rolling EBITDA.	SKF Vertevo considers that net debt to EBITDA is useful as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments.
Net debt/equity, %	Net debt, as a percentage of total equity.	SKF Vertevo considers net debt to equity to be useful as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments. Net debt to equity ratio is included in SKF Vertevo's financial targets as it is considered to be more stable over time compared to net debt to adjusted EBITDA.
Net debt/equity, excluding post-employment benefits, %	Net debt, as a percentage of total equity, excluding post-employment benefits.	SKF Vertevo considers net debt to equity excluding post-employment benefits to be useful as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments. Net debt to equity post-employment benefits ratio is included in SKF Vertevo's financial targets as it is considered to be more stable over time compared to net debt to adjusted EBITDA.
Net working capital (NWC)	Trade receivables plus inventories minus trade payables.	SKF Vertevo considers net working capital to be a relevant measure of the Company's liquidity and capital efficiency.
Net working capital, % of net sales	Trade receivables plus inventory minus trade payables as a percentage of twelve months' rolling net sales.	SKF Vertevo considers net working capital in relation to revenues to be a relevant measure of both the Group's efficiency and its short-term financial condition.
Operating profit/loss	Gross profit less research and development expenses, selling and administrative expenses and other operating income/ expenses, net.	SKF Vertevo considers operating profit/loss to be a relevant measure to present reported operating profitability.
Operating margin, %	Operating profit/loss, as a percentage of net sales.	SKF Vertevo considers operating margin to be a relevant measure for comparing reported operating profitability over time.
Organic growth, %	Net sales growth excluding effects of currency and acquired and divested businesses.	SKF Vertevo considers organic growth to be a valuable indicator of the business ability to grow the business based on its own capacity.
Return on capital employed (ROCE), %	Twelve months' rolling operating profit/loss plus interest income as a percentage of twelve months' rolling average of total assets less the average of other non-current provisions, current provisions, deferred tax liabilities, other non-current liabilities, trade payables and other current liabilities.	SKF Vertevo considers return on capital employed relevant as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitment.
Return on equity (ROE), %	Twelve months' rolling profit/loss after taxes as a percentage of twelve months' rolling average of total equity.	SKF Vertevo considers return on equity relevant as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitment, and is considered to be more stable over time as compared to return on capital employed.

Adjusted earnings per share

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net profit attributable to shareholders	–681	–593	–1,208	897
Items affecting comparability	1,624	1,114	1,560	337
Adjusted net profit attributable to shareholders	**943**	**521**	**353**	**1,234**
Number of shares	91,070,213	91,070,213	91,070,213	91,070,213
Adjusted earnings per share, SEK	**10.35**	**5.72**	**3.87**	**13.55**

Adjusted EBITDA and adjusted EBITDA margin

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net profit	–1,030	–554	–1,122	971
Income taxes	6	23	11	218
Financial income	–106	–111	–129	–200
Financial expense	423	398	584	241
Items affecting comparability	1,624	1,114	1,560	337
Adjusted operating profit	**917**	**870**	**903**	**1,567**
Amortisations of intangible assets	6	6	8	9
Adjusted EBITA	**923**	**876**	**911**	**1,576**
Depreciation of tangible assets	520	425	579	517
Adjusted EBITDA	**1,443**	**1,301**	**1,490**	**2,093**
Net sales	18,035	19,071	24,725	28,133
Adjusted EBITDA margin, %	**8.0**	**6.8**	**6.0**	**7.4**

Adjusted gross profit and adjusted gross margin

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Gross profit	2,492	2,645	3,269	4,745
Items affecting comparability within cost of goods sold	827	657	790	180
Adjusted gross profit	**3,320**	**3,302**	**4,059**	**4,925**
Net sales	18,035	19,071	24,725	28,133
Adjusted gross margin, %	**18.4**	**17.3**	**16.4**	**17.5**

Adjusted net profit

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net profit	–1,030	–554	–1,122	971
Items affecting comparability	1,624	1,114	1,560	337
Adjusted net profit	**594**	**560**	**438**	**1,308**

Adjusted operating profit and adjusted operating margin

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Operating profit	–707	–244	–657	1,230
Items affecting comparability	1,624	1,114	1,560	337
Adjusted operating profit	**917**	**870**	**903**	**1,567**
Net sales	18,035	19,071	24,725	28,133
Adjusted operating margin, %	**5.1**	**4.6**	**3.7**	**5.6**

Adjusted return on capital employed, excluding cash and cash equivalents

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Adjusted operating profit incl. interest income (12 months rolling)	979	N/A	947	1,655
Capital employed – Opening balance	17,245	N/A	18,810	18,433
Cash and cash equivalents – Opening balance	1,346	N/A	1,173	1,550
Opening balance capital employed excluding cash and cash equivalents (12 months rolling)	**15,899**	**N/A**	**17,637**	**16,884**
Capital employed – Closing balance	18,126	N/A	15,787	18,810
Cash and cash equivalents – Closing balance	2,083	N/A	1,332	1,173
Closing balance capital employed excluding cash and cash equivalents (12 months rolling)	**16,043**	**N/A**	**14,454**	**17,637**
Capital employed excluding cash and cash equivalents (12 months rolling average)	15,971	N/A	16,046	17,261
Adjusted return on capital employed excluding cash and cash equivalents, %	**6.1**	**N/A**	**5.9**	**9.6**

Capital employed

MSEK	30 Sep 2026	30 Sep 2025	31 Dec 2025	31 Dec 2024
Total assets	**28,045**	**25,332**	**24,555**	**27,427**
Other non–current provisions	169	266	232	121
Current provisions	524	457	584	181
Deferred tax liabilities	669	5	96	22
Other non–current liabilities	17	30	61	48
Trade payables	4,448	4,552	4,904	5,638
Other current liabilities	4,091	2,778	2,892	2,607
Non–interest–bearing liabilities	**9,919**	**8,087**	**8,768**	**8,617**
Capital employed	**18,126**	**17,245**	**15,787**	**18,810**
Capital employed – Opening balance	17,245	N/A	18,810	18,433
Capital employed – Closing balance	18,126	N/A	15,787	18,810
Capital employed (12 months rolling average)	**17,685**	**N/A**	**17,298**	**18,622**

Equity/asset ratio

MSEK	30 Sep 2026	30 Sep 2025	31 Dec 2025	31 Dec 2024
Total equity	13,030	12,869	10,511	14,425
Total assets	28,045	25,332	24,555	27,427
Equity/assets ratio, %	**46.5**	**50.8**	**42.8**	**52.6**

Gearing

MSEK	30 Sep 2026	30 Sep 2025	31 Dec 2025	31 Dec 2024
Debt	5,096	4,372	5,276	4,387
Total equity	13,030	12,869	10,511	14,425
Sum of debt and total equity	18,126	17,241	15,787	18,811
Gearing, %	**28.1**	**25.4**	**33.4**	**23.3**

Gross profit and gross margin

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net sales	18,035	19,071	24,725	28,133
Cost of goods sold	–15,543	–16,426	–21,456	–23,387
Gross profit	**2,492**	**2,645**	**3,269**	**4,745**
Gross margin, %	**13.8**	**13.9**	**13.2**	**16.9**

Items affecting comparability

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Restructuring costs	–224	–336	–444	–174
Separation costs	–1,120	–648	–1,034	–128
Impairments of tangible and intangible assets	–279	–130	–82	–36
Items affecting comparability	**–1,624**	**–1,114**	**–1,560**	**–337**

Items affecting comparability within cost of goods sold

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Restructuring costs	–140	–337	–443	–162
Separation costs	–408	–189	–317	0
Impairments of tangible and intangible assets	–279	–130	–29	–18
Items affecting comparability within cost of goods sold	**–827**	**–657**	**–790**	**–180**

Net debt, net debt/EBITDA and net debt/adjusted EBITDA

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Other non–current financial liabilities	750	247	83	289
Other current financial liabilities	3,675	3,481	4,562	3,462
Current lease liabilities	147	110	118	76
Current derivative liabilities	0	–4	–0	–0
Provisions for post–employment benefits	228	292	263	340
Defined benefit assets	0	0	0	0
Non–current lease liabilities	297	246	249	218
Debt	**5,096**	**4,372**	**5,276**	**4,387**
Current financial assets	–525	–15	–263	–94
Cash and cash equivalents	–2,083	–1,346	–1,332	–1,173
Current derivative assets	0	0	0	5
Net debt	**2,488**	**3,012**	**3,681**	**3,125**
Net profit (12 months rolling)	–1,599	N/A	–1,122	971
Income taxes (12 months rolling)	–6	N/A	11	218
Financial income (12 months rolling)	–124	N/A	–129	–200
Financial expense (12 months rolling)	609	N/A	584	241
Amortisations and impairment of intangible assets (12 months rolling)	61	N/A	61	9
Depreciation and impairments of tangible assets (12 months rolling)	852	N/A	608	553
EBITDA (12 months rolling)	**–208**	**N/A**	**11**	**1,791**
Items affecting comparability:				
Restructuring costs (12 months rolling)	322	N/A	444	174
Separation costs (12 months rolling)	1,506	N/A	1,034	128
Adjusted EBITDA (12 months rolling)	**1,631**	**N/A**	**1,490**	**2,093**
Net debt/EBITDA	**–12.0**	**N/A**	**320.9**	**1.7**
Net debt/Adjusted EBITDA	**1.5**	**N/A**	**2.5**	**1.5**

Net debt/equity and net debt/equity, excluding post–employment benefits

MSEK	30 Sep 2026	30 Sep 2025	31 Dec 2025	31 Dec 2024
Net debt	2,488	3,012	3,681	3,125
Total equity	13,030	12,869	10,511	14,425
Net debt/equity, %	**19.1**	**23.4**	**35.0**	**21.7**
Provisions for post–employment benefits	228	292	263	340
Net debt excluding post–employment benefits	**2,261**	**2,720**	**3,417**	**2,785**
Net debt/equity, excluding post–employment benefits, %	**17.4**	**21.1**	**32.5**	**19.3**

Net working capital, % of net sales

MSEK	30 Sep 2026	30 Sep 2025	31 Dec 2025	31 Dec 2024
Inventories	7,407	7,763	7,494	8,809
Trade receivables	5,227	4,505	4,050	4,468
Trade payables	–4,448	–4,552	–4,904	–5,638
Net working capital (NWC)	**8,186**	**7,715**	**6,640**	**7,639**
Net sales (12 months rolling)	23,689	N/A	24,725	28,133
Net working capital (NWC), %	**34.6**	**N/A**	**26.9**	**27.2**

Operating margin

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Operating profit	–707	–244	–657	1,230
Net sales	18,035	19,071	24,725	28,133
Operating margin, %	**–3.9**	**–1.3**	**–2.7**	**4.4**

Organic growth

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net Sales	18,035	N/A	24,725	N/A
Currency effect	608	N/A	1,676	N/A
Organic sales	**18,644**	**N/A**	**26,401**	**N/A**
Prior period net sales	19,071	N/A	28,133	N/A
Prior period net sales adjustment for hyperinflation	0	N/A	–154	N/A
Organic sales prior period	**19,071**	**N/A**	**27,979**	**N/A**
Organic growth, %	**–2.2**	**N/A**	**–5.6**	**N/A**

Return on capital employed (ROCE) and adjusted ROCE

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Operating profit (12 months rolling)	–1,120	N/A	–657	1,230
Interest income (12 months rolling)	28	N/A	44	88
Operating profit incl. interest income (12 months rolling)	–1,091	N/A	–613	1,318
Capital employed (12 months rolling average)	17,685	N/A	17,298	18,622
Return on capital employed (ROCE), %	**–6.2**	**N/A**	**–3.5**	**7.1**
Adjusted operating profit (12 months rolling)	950	N/A	903	1,567
Interest income (12 months rolling)	28	N/A	44	88
Adjusted operating profit incl. interest income (12 months rolling)	979	N/A	947	1,655
Capital employed (12 months rolling average)	17,685	N/A	17,298	18,622
Adjusted return on capital employed (adjusted ROCE), %	**5.5**	**N/A**	**5.5**	**8.9**

Return on equity (ROE)

MSEK	Jan–Sep 2026	Jan–Sep 2025	2025	2024
Net profit (12 months rolling)	–1,599	N/A	–1,122	971
Total equity opening balance	12,869	N/A	14,425	15,198
Total equity closing balance	13,030	N/A	10,511	14,425
Average equity	**12,949**	**N/A**	**12,468**	**14,811**
Average return on equity (ROE), %	**–12.3**	**N/A**	**–9.0**	**6.6**

SIGNIFICANT CHANGES IN SKF VERTEVO'S FINANCIAL POSITION SINCE 30 SEPTEMBER 2026

In October 2026, SKF Vertevo entered into two term loans of MEUR 50 (approximately MSEK 550) and MCNY 760 (approximately BSEK 1.1), respectively. In addition, a capital contribution from SKF amounting to BSEK 3.6 was made in the form of an unconditional shareholder contribution in October 2026. For further information, see "*Business description–Funding and borrowing structure*".

SHAREHOLDER INFORMATION AND LEGAL MATTERS

SHARE INFORMATION

According to SKF Vertevo's Articles of Association, the share capital shall be not less than SEK 75,000,000 and not more than SEK 300,000,000, divided into not less than 75,000,000 shares and not more than 300,000,000 shares. SKF Vertevo has issued shares in two classes: series A and series B shares. Series A shares may be issued up to a maximum number of 300,000,000 and series B shares to a maximum number of 300,000,000. Each series A share carries one vote and each series B share carries one-tenth of a vote. For more information on the rights attached to each series of shares, see "*Terms and conditions of the shares–Certain rights attached to the shares*".

As at 30 September 2026, the Company's registered share capital was SEK 91,070,213, represented by 91,070,213 shares (of which 5,783,662 were series A shares and 85,286,551 were series B shares), each with a quota value of SEK 1.[1)] The Company's registered share capital and total number of shares remain unchanged as at the date of this prospectus, while 51 series A shares have been converted into series B shares since 30 September 2026.

OWNERSHIP STRUCTURE

As of the date of this prospectus, SKF Vertevo is a wholly-owned subsidiary of SKF. The ownership structure in SKF Vertevo will initially be identical to that of SKF on the record date for proposed distribution, with the adjustment that five (5) shares in SKF equate to one (1) share of the same series in SKF Vertevo. The table below shows SKF Vertevo's shareholders who have a direct or indirect holding in the Company that corresponds to 5 per cent or more of the shares or votes, or otherwise is one of the Company's ten largest shareholders, under the assumption that the distribution of shares in SKF Vertevo had been completed with 30 September 2026, as the record date (with known changes thereafter) and that five (5) shares in SKF entitle the holder to one (1) share in SKF Vertevo. As of that date, SKF had 93,253 known shareholders.

Wallenberg Investments Holdings AB is expected to be able to exercise significant influence over SKF Vertevo in matters where the shareholders have voting rights. Such influence will, however, be limited by the rules on minority protection set out in the Swedish Companies Act.

Shareholder	Series A shares	Series B shares	Total number of shares	Shares, %	Votes, %
Wallenberg Investments Holdings AB*)	3,110,000	10,735,507	13,845,507	15.20	29.23
Cevian Capital	–	8,505,536	8,505,536	9.34	5.94
BlackRock	–	3,976,043	3,976,043	4.37	2.78
SEB Funds	–	3,737,607	3,737,607	4.10	2.61
Vanguard	–	3,110,289	3,110,289	3.42	2.17
Swedbank Robur Fonder	–	2,680,261	2,680,261	2.94	1.87
Handelsbanken Fonder	–	2,332,897	2,332,897	2.56	1.63
Alecta Tjänstepension	–	2,253,466	2,253,466	2.47	1.57
Nordea Funds	–	2,237,855	2,237,855	2.46	1.56
Lannebo Kapitalförvaltning	–	1,509,803	1,509,803	1.66	1.05
Ten largest shareholders, total	**3,110,000**	**41,079,264**	**44,189,264**	**48.52**	**50.43**
Other shareholders	2,673,611	44,207,338	46,880,949	51.48	49.57
Total	**5,783,611**	**85,286,602**	**91,070,213**	**100.0**	**100.0**

*) Formerly FAM AB.
Source: Modular Finance

1) As of 1 January 2026, the Company's registered share capital was SEK 25,000, represented by 25,000 shares.

SHAREHOLDERS' AGREEMENTS

To the Board of Directors' knowledge, there are no shareholders' agreements or other agreements between parties expected to become shareholders in the Company following the distribution that are intended to result in joint control of the Company. Nor is the Board of Directors aware of any agreements which may result in or prevent a change in control of the Company. Certain material agreements with SKF, as described under "*Material agreements*" below, contain provisions that may be triggered upon a change in control of the Company.

LEGAL AND ARBITRATION PROCEEDINGS

SKF Vertevo operates in several countries and the Group is, within the ordinary course of business and from time to time, subject to legal disputes, claims and administrative proceedings. Below is a summary of governmental, legal and arbitration proceedings (including any such proceedings which are pending or threatened of which SKF Vertevo is aware) during the previous twelve months, which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

Ongoing dispute and investigation between SKF do Brasil Ltda and CADE

SKF do Brasil Ltda is involved in ongoing proceedings with Administrative Council for Economic Defense (Conselho Administrativo de Defesa Econômica) ("**CADE**") regarding alleged anti-competitive conduct in Brazil during 2002–2011. Although CADE imposed a fine in 2021, the decision was annulled by the lower court and CADE's appeal remains pending. In 2026, a customer notified that they intend to pursue damage claims arising from the same CADE investigation, but no alleged damages have yet been quantified.

SKF do Brasil Ltda is also subject to an ongoing CADE investigation initiated in 2016 concerning alleged anti-trust violations in the Brazilian automotive aftermarket. No decision has yet been issued, and SKF Vertevo expects the proceedings to continue for several years. An accurate estimate of the size of a potential penalty is difficult to determine and SKF Vertevo intends to appeal any adverse decision.

While these matters have not qualified for recognition as other provisions or contingent liabilities in SKF Vertevo's financial statements (see "*Note 17 – Other provisions and contingent liabilities*" on page F-42 and onwards in "*Historical financial statements*"), they are considered material for purposes of this prospectus due to the potentially significant financial exposure.

Tax disputes and audits

SKF Vertevo is regularly subject to local tax audits initiated by local tax authorities and is exposed to the risk that tax authorities or other supervisory authorities may interpret tax legislation differently than SKF Vertevo. SKF Vertevo is currently engaged in several disputes with local tax authorities regarding the interpretation of local tax legislation. The nominal value of SKF Vertevo's contingent liabilities in respect of tax disputes and audits amounted to MSEK 1,396 as at 31 December 2025.

CONFLICTS OF INTEREST

No member of the Board of Directors or the Executive Management Team has any private interests or other duties which might conflict with their duties carried out on behalf of SKF Vertevo. However, Håkan Buskhe is a member of the board of both SKF Vertevo and SKF, and in the event of conflicting interests between the companies, he may be considered having a conflict of interest under the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). In addition, a number of the members of the Board of Directors and the Executive Management Team will have a financial interest in SKF Vertevo through their respective shareholdings in SKF.

RELATED PARTY TRANSACTIONS

See "*Note 20 – Related parties including associated companies*" on page F-44 in "*Historical financial statements*" for a description of the Group's transactions with related parties during the financial years 2024–2025.

See "*Note 3 – Transactions with related parties*" in "*Interim report January–September 2026*" on page F-15 in "*Historical financial statements*" for a description of the Group's transactions with related parties during the period January–September 2026.

A capital contribution from SKF amounting to BSEK 3.6 was made in the form of an unconditional shareholder contribution in October 2026. For further information, see "*Business description–Funding and borrowing structure*". Since 30 September 2026, SKF Vertevo has also continued to conduct transactions with SKF in the ordinary course of business, including purchases and sales of goods and services.

SKF Vertevo has entered into certain agreements with SKF in relation to the separation, including the Master Separation Agreement. For further information, see "*Material agreements*" below.

For information on remuneration to the members of the Board of Directors and the Executive Management Team, see "*Corporate governance–Compensation to Board members*" and "*Corporate governance–Remuneration to the Executive Management Team*".

MATERIAL AGREEMENTS

Presented below is a summary of material agreements entered into by SKF Vertevo during the last year immediately preceding the publication of this prospectus (excluding agreements entered into in the ordinary course of business).

For information on credit agreements entered into in connection with the distribution and listing of SKF Vertevo, please refer to "*Business description–Funding and borrowing structure*".

The spin-off from SKF

During 2024–2026, the SKF Group underwent an intra-group restructuring in order to separate the automotive business from the industrial business. The separation was implemented by a series of corporate restructuring transactions pursuant to which the entities, assets, employees, liabilities and operations associated with the automotive business were allocated to, and consolidated within, the SKF Vertevo Group while, conversely, the entities, assets, employees, liabilities and operations associated with the industrial business were allocated to, and consolidated within, the remaining SKF Group. Such measures included, among other things, share

transfers, asset transfers, real property transfers, shareholder contributions, dividends, demergers, internal reorganisation matters, assignments of intellectual property rights and employee transfers.

In addition to the transactions described above, SKF Vertevo and SKF will, prior to the distribution date of the SKF Vertevo shares, have entered into certain additional agreements and implemented certain further transactions as part of the separation of SKF Vertevo from the SKF Group. These transactions and agreements are intended to facilitate the separation and ensure that SKF Vertevo and the remaining SKF Group are able to operate separately and, in all material respects, independently of each other following the distribution. Such arrangements may include, among other things, lease agreements, facility management agreements and services agreements. Amongst those remaining transactions and agreements, the parties have agreed on the transferring of 15 production channels from SKF to SKF Vertevo in China, to be completed in 2027, for cash consideration corresponding to approximately MSEK 200 with an additional cash consideration of approximately MSEK 50, subject to a valuation to be carried out following completion.

The decision to separate SKF Vertevo from the SKF Group through a distribution to the shareholders of SKF was adopted by the Extraordinary General Meeting of SKF held on 1 October 2026. For further information regarding the distribution of the shares in SKF Vertevo, see "*Details of the admission to trading–Resolution on the distribution of SKF Vertevo*".

Master Separation Agreement

SKF Vertevo and SKF have entered into a master separation agreement (the "**Master Separation Agreement**"), which governs and sets out the general separation principles as well as the overall allocation of liability between the SKF Group and SKF Vertevo. In the Master Separation Agreement, SKF Vertevo and SKF acknowledge that the transfers have been made on an "as is" basis (Sw. *befintligt skick*). Furthermore, the Master Separation Agreement establishes, as a general rule, that each business continues to be fully liable for the conduct of its business, as well as any losses and liabilities connected to such business, and shall indemnify the other party for losses and liabilities it might incur relating to the other party, regardless of if such liability materialises before or after the distribution of the shares in SKF Vertevo. This general rule is subject to certain exceptions relating to the allocation of tax liabilities and environmental liabilities at manufacturing sites and certain customer claims liabilities.

The Master Separation Agreement will become effective on the date of delivery of the shares in SKF Vertevo to the shareholders of SKF and will remain in force for a perpetual period of time. Neither party has a right to terminate the agreement.

Services Agreements

SKF Vertevo and SKF have entered into a transitional services agreement (the "**Transitional Services Agreement**") and a long-term services agreement (the "**Services Agreement**") under which SKF and SKF Vertevo will provide each other with certain services. The services to be provided pursuant to the Transitional Services Agreement include certain limited IT services, business support in relation to research and development, manufacturing business support, shared logistics services and certain facility services for shared sites. The services to be provided pursuant to the Services Agreement mainly relate to the lease of property, including facility management services.

As a general principle, all services shall be provided on commercial terms not materially different from what could have been obtained from bona fide third parties.

The Transitional Services Agreement and the Services Agreement will become effective on the date of delivery of the shares in SKF Vertevo to the shareholders of SKF. The Transitional Services Agreement will remain in force until the expiry of all service terms, which will occur no later than 18 months after the effective date. The Services Agreement will remain in force until the expiry of all service terms and will continue to be delivered until terminated by the relevant service recipient.

The Services Agreement includes a right to terminate certain services which are of a more sensitive nature under circumstances such as a change of control or the other party becoming a sanctioned entity.

Background Intellectual Property/Intellectual Assets Licence Agreement

SKF Vertevo and SKF have entered into a Background Intellectual Property/Intellectual Assets Licence Agreement (the "**BIPLA**") to establish a cross-licensing framework relating to IP used by both SKF Vertevo and SKF to independently operate and develop its respective business following the separation. Under the BIPLA, each party grants the other party royalty-free, exclusive, cross-licences to patents, design rights and intellectual assets, as well as software (licensed from SKF to SKF Vertevo only) (the "**Licensed IP**"). The licences are granted on an "as is" basis (Sw. *befintligt skick*). The use of Licensed IP is restricted to each party's respective exclusive field, where such restrictions are permissible under competition law: SKF Vertevo's use is limited to the automotive sector and SKF's use correspondingly covers all products and services outside SKF Vertevo's exclusive field, with limited exceptions. The BIPLA terms are to a large extent mimicking co-ownership through, for example, licensee co-determination rights. The BIPLA has an initial term of 30 years, with automatic five-year renewals.

The BIPLA contains provisions aimed at protecting the Licensed IP and the parties' interests in maintaining control over such IP. This includes, for example, change of control provisions and provisions governing situations where a competitor or sanctioned party undertakes certain actions in relation to SKF Vertevo and/or SKF concerning the licensed IP. In such circumstances, after having imposed certain mitigating obligations and limitations on the affected party, the non-affected party is as a last resort entitled to terminate the BIPLA (see also "*Risk factors–SKF Vertevo will be dependent on continued access to certain cross-licensed intellectual property*"). A party may also terminate the BIPLA in the event of a material breach causing a material adverse effect on the non-defaulting party. Further, the BIPLA may during the first ten years be terminated in relation to a specific market if the exclusive field restrictions are deemed or become incompatible with

competition law in relation to such product market. Upon termination of the BIPLA the parties have agreed on general and specific phase-out obligations to facilitate an orderly transition (being more protective during the first five years from the distribution of shares of SKF Vertevo) and avoid negative impact on existing customer engagements.

Software Services Agreement

SKF Vertevo and SKF have entered into a Software Services Agreement (the "**SSA**") under which SKF provides SKF Vertevo with access, maintenance, support and strategic development services in respect of software where SKF Vertevo has no access to the source code of the licensed software (so-called black-box software) and certain other software required for the utilisation of the black-box software, as licensed to SKF Vertevo under the BIPLA (together the "**Software**"). SKF Vertevo's right to receive services under the SSA is conditional upon it holding a valid licence for the Software under the BIPLA. SKF Vertevo pays a fixed service fee for the access and maintenance, subject to annual index adjustment and reviews every third year. For the strategic development services, SKF Vertevo pays a fee based on consumed resources. The software developed in connection with the services provided under the SSA remains owned by SKF, with licences granted to SKF Vertevo on terms substantially equivalent to those under the BIPLA. Upon expiry of the SSA, all licences to the black-box software automatically expire. The SSA has an initial term of ten years; upon expiry, SKF Vertevo is entitled to continued access for at least five years on commercially reasonable terms. The SSA may be terminated on the same grounds as the BIPLA (see "*Background Intellectual Property/Intellectual Assets Licence Agreement*" above). In the event of termination by SKF, SKF Vertevo is generally entitled to certain continued services including the assistance that is required to fulfil existing customer engagements, whilst SKF retains certain safeguards to replace direct access to the Software.

Research and Development Collaboration Agreement

SKF Vertevo and SKF have entered into a Research and Development Collaboration Agreement (the "**RDCA**") to establish a framework for continued post-separation collaboration on research and development activities where the parties have compatible needs and expect mutual benefit. The RDCA governs joint early-stage research and development activities. The parties share costs equally and each party is entitled to use the results within its respective exclusive field (as described under "*Background Intellectual Property/Intellectual Assets Licence Agreement*" above). Intellectual property arising from the collaboration is allocated between the parties based on the nature of the relevant intellectual property and their respective fields of use. The non-owning party is granted a licence to use such intellectual property on terms substantially equivalent to those under the BIPLA except for limitations in the termination rights. The RDCA has an initial term of four years, with a mid-term review after two years at which either party may elect to terminate upon twelve months' notice. The RDCA may be terminated on the same grounds as the BIPLA (see "*Background Intellectual Property/Intellectual Assets Licence Agreement*" above). Further, the RDCA terminates automatically in the event that the BIPLA is terminated.

Trademark Licensing Agreement

SKF Vertevo and SKF have entered into a Trademark Licensing Agreement (the "**TLA**") under which SKF grants SKF Vertevo a royalty-free, exclusive, worldwide licence to use the SKF trademarks within its exclusive field i.e. the automotive sector (see "*Background Intellectual Property/Intellectual Assets Licence Agreement*" above) following the separation. SKF retains full ownership of the trademark portfolio and may not use the SKF trademarks within SKF Vertevo's exclusive field, with limited exceptions. SKF Vertevo is required to use the SKF trademarks together with its new trademark (VERTEVO) and in accordance with agreed brand use guidelines. The TLA has an initial term of ten years from the distribution of shares in SKF Vertevo, with automatic three-year renewals for as long as SKF Vertevo actively uses the SKF trademarks. The TLA may be terminated on the same grounds as the BIPLA (see "*Background Intellectual Property/Intellectual Assets Licence Agreement*" above). Upon any expiration or termination, SKF Vertevo is entitled to a phase-out period of up to twelve months.

Contract Manufacturing Agreements

SKF Vertevo and SKF have entered into two contract manufacturing agreements on substantially similar terms (each a "**CMA**"), each operating as a global master framework establishing the commercial, operational and legal terms pursuant to which SKF and SKF Vertevo will manufacture and supply bearings, seals and certain related products for each other. The CMAs are generally intended to serve as a temporary bridging solution until the parties have built up their own capacity to manufacture in-scope products or have implemented alternative sourcing solutions. However, it is the parties' ambition to reduce the contract manufacturing under the CMAs over time, as it is dilutive to both companies' margins. For the nine-month period ended 30 September 2026, the value of contract manufacturing under the CMAs sourced from SKF to SKF Vertevo amounted to BSEK 3.1, with an estimated annualised run-rate of BSEK 3.4. The contract manufacturing under the CMAs sourced from SKF Vertevo to SKF amounted to BSEK 0.8. The level of contract manufacturing is envisaged to decrease significantly over the medium term. The respective CMAs are in effect until terminated. Either party may as a general rule terminate the CMAs in whole or in part (including in respect of specific product lines) subject to 18 months' prior written notice during which the parties shall discuss a structured wind-down. Termination of the BIPLA or the TLA gives each party a right to terminate the CMAs, provided that such termination shall not take effect before the date on which the BIPLA or the TLA ceases to apply.

Operational matters are governed by local agreements executed between the relevant local entities of each group and incorporating the master terms. Under each CMA, the manufacturer holds an exclusive right to manufacture and supply the in-scope products to the principal, with limited exceptions, and the principal is required to source all its requirements of such in-scope products from the manufacturer, with some limited exceptions. These exclusive rights apply during the first five years following the separation and may thereafter be cancelled by either party with six months' written notice, unless terminated earlier under the general termination right. The CMAs also contain customer restrictions whereby when SKF manufactures products for SKF Vertevo under the CMA, SKF may not sell the manufactured products to automotive customers

and SKF Vertevo may not actively sell manufactured products to industrial customers, and equivalent restrictions apply in the reverse direction. The services under the CMAs are provided under a pricing that is determined based on a cost-plus model, with a base cost determined on the effective date of the agreement and subject to indexation.

The manufacturer under each CMA gives customary warranties during certain specified warranty periods. Certain operational decisions under the CMAs require consensus between the parties. In case of disagreement, an escalation procedure is in place to facilitate resolution.

SKF Vertevo and SKF will, prior to the distribution and listing of SKF Vertevo, also enter into a separate agreement pursuant to which SKF will manufacture and supply, and perform certain engineering services in relation to, certain special and standard bearings, seals and related products for the high-performance vehicle market to SKF Vertevo. This agreement particularly reflects the dynamic nature and specific requirements of the high-performance vehicle business, including in relation to ordering, forecasting, lead times, pricing, engineering services and warranty obligations.

DIVIDEND POLICY

According to SKF Vertevo's dividend policy, the ordinary dividend pay-out ratio should amount to 30 to 50 per cent of SKF Vertevo's average net profit calculated over a business cycle. SKF Vertevo's dividend policy is based on the principle that the total dividend should be adapted to the trend for earnings and cash flow, while considering the Group's development potential and financial position.

Notwithstanding SKF Vertevo's dividend policy, the Board of Directors does not currently expect to propose any dividend in respect of the financial year 2026 for approval at the Annual General Meeting 2027.

The General Meeting of the Company did not resolve on any dividend distributions for 2025 or 2024.

DOCUMENTS AVAILABLE

SKF Vertevo's Articles of Association and Certificate of Registration are available in electronic form on the Company's website (www.skfvertevo.com).

SUPPLEMENTARY INFORMATION

TAX CONSIDERATIONS

The following is a general summary of certain tax consequences that may arise in connection with the distribution of shares in SKF Vertevo to the shareholders of SKF. The summary does not constitute an exhaustive analysis of all tax consequences, whether in Sweden, the United States, or any other jurisdiction. The tax consequences for each individual shareholder depend on the specific circumstances of each case and on the tax legislation in force in the jurisdiction where the shareholder is tax resident. Each shareholder is therefore advised to consult their own tax advisor regarding the specific tax consequences that may arise in their particular situation. This summary is based on legislation in force as of the date of this prospectus and does not take into account any changes in law that may occur thereafter, including changes with retroactive effect.

Certain tax considerations in Sweden

Set forth below is a summary of certain Swedish tax consequences that may arise in connection with the distribution of shares in SKF Vertevo to shareholders of SKF. The summary is based on current legislation and is intended only as general information for individuals and limited liability companies tax resident in Sweden, unless otherwise stated. The summary does not cover:

(a) shares held by partnerships (Sw. *handelsbolag, kommanditbolag or enkla bolag*), or shares held as inventory in a business,

(b) the special rules on tax-exempt capital gains (including non-deductibility of capital losses) and dividends in the corporate sector that may apply where shares are deemed business-related shares (Sw. *näringsbetingade andelar*),

(c) shares held in an investment savings account (Sw. *investeringssparkonto*) or through a capital insurance, which are subject to subscription taxation rules (Sw. *schablonbeskattning*), or

(d) special tax rules applicable to certain categories of taxpayers, such as investment companies and insurance companies. Accordingly, the tax consequences for each individual shareholder will depend on that shareholder's specific circumstances. Each shareholder is therefore advised to consult a tax advisor regarding the specific consequences that may arise in their particular case, including (but not limited to) the applicability and effects of foreign tax rules and tax treaties.

Individuals

Taxation upon distribution of shares in SKF Vertevo

The distribution of shares in SKF Vertevo is expected to meet the requirements of the so-called Lex Asea rules. Accordingly, the distribution of shares in SKF Vertevo to the shareholders of SKF should not trigger any immediate taxation. Shareholders in SKF who are entitled to participate in the distribution will allocate the cost basis of their shares in SKF between those shares and the shares received in SKF Vertevo. The allocation of the cost basis will be based on the valuation of the shares in SKF resulting from the distribution of shares in SKF Vertevo. SKF will apply for a position statement (Sw. *ställningstagande*) from the Swedish Tax Agency (Sw. *Skatteverket*) regarding the allocation of the cost basis, and the position statement will be published on the websites of SKF, SKF Vertevo and the Swedish Tax Agency as soon as possible after the distribution.

Tax on dividends from SKF Vertevo

Dividends on listed shares are taxed in the income category capital at a rate of 30 per cent. For individuals resident in Sweden, preliminary tax of 30 per cent is normally withheld on dividends. Such withholding is carried out by Euroclear Nordics, or, in the case of nominee-registered shares, by the Swedish nominee.

Capital gains taxation upon disposal of shares in SKF Vertevo

A sale or other disposal of listed shares may result in a taxable capital gain or a deductible capital loss. Capital gains are taxed in the income category capital at a rate of 30 per cent. The capital gain or loss is calculated as the difference between the consideration received, less selling expenses, and the cost basis. The cost basis for all shares of the same class and series is calculated jointly

using the average method. Alternatively, for listed shares, the cost basis may be determined under the standard method at 20 per cent of the sale proceeds after deduction of selling expenses. The acquisition cost, and thus the cost basis, for the shares received in SKF Vertevo through the distribution from SKF will be determined on the basis of the ruling to be issued by the Swedish Tax Agency (see "*Taxation upon distribution of shares in SKF Vertevo*" above). Capital losses on shares may be fully deductible against taxable capital gains on listed and unlisted shares and other listed securities realised during the same tax year. This does not apply to units in securities funds or special funds consisting solely of Swedish receivables (so-called interest funds). Capital losses not covered by such rules are deductible at 70 per cent in the income category capital. If a deficit arises in the income category capital, a tax reduction is allowed against municipal and state income tax, as well as real estate tax and municipal property fees. The tax reduction amounts to 30 per cent of the portion of the deficit not exceeding SEK 100,000 and 21 per cent of the remaining portion. A deficit cannot be carried forward to subsequent tax years.

Taxation upon disposal of fractions of shares in SKF Vertevo
A disposal of shares in SKF Vertevo will result in capital gains taxation. The same applies to shareholders who receive fractions of shares in SKF Vertevo that are subsequently sold on their behalf. The capital gain or loss is calculated as the difference between the sale proceeds, less selling expenses, and the cost basis (which includes, inter alia, the acquisition cost). The acquisition cost for the shares received in SKF Vertevo through the distribution will be determined on the basis of the Swedish Tax Agency's ruling. The acquisition cost of a fraction of shares in SKF Vertevo will correspond to the relevant portion of the acquisition cost of a share in SKF Vertevo, as determined based on such ruling. Since the shares in SKF Vertevo will be listed, the cost basis may alternatively be determined under the standard method at 20 per cent of the net sale proceeds.

Limited Liability Companies

Taxation upon distribution of shares in SKF Vertevo
As the distribution of shares in SKF Vertevo is expected to meet the requirements of the Lex Asea rules, the distribution should not give rise to any immediate taxation. See the corresponding section for individuals for the determination of the cost basis of the shares in SKF Vertevo.

Tax on dividends and capital gains relating to shares in SKF Vertevo
For limited liability companies, all income, including taxable capital gains and dividends, is taxed in the income category business income at a rate of 20.6 per cent. Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares or other equity instruments may only be set off against taxable capital gains on such securities. Under certain conditions, such losses may also be offset against capital gains in other group companies, provided that group contribution rights exist between the companies. Capital losses that cannot be utilised in a given year may be carried forward indefinitely and may only be offset against taxable capital gains on shares and other equity instruments in subsequent tax years.

Special Tax Considerations for Shareholders Not Tax Resident in Sweden

Withholding tax on dividends
As the distribution of shares in SKF Vertevo is expected to satisfy the conditions of the Lex Asea rules, no Swedish withholding tax will be levied on this distribution. Future dividends from SKF Vertevo will generally be subject to Swedish withholding tax. The statutory tax rate is 30 per cent, but it is generally reduced for shareholders resident in jurisdictions with which Sweden has entered into tax treaties. In Sweden, withholding tax is deducted by Euroclear Nordics. In the case of nominee-registered shares, the nominee is responsible for withholding the tax. Where 30 per cent withholding tax has been deducted from a dividend paid to a person entitled to a lower rate, or where withholding tax has otherwise been overpaid, a refund may be claimed from the Swedish Tax Agency before the end of the fifth calendar year following the dividend payment.

Capital gains taxation upon disposal of shares in SKF Vertevo
Shareholders who are not tax resident in Sweden and whose shareholding is not attributable to a permanent establishment in Sweden are generally not subject to Swedish capital gains taxation upon disposal of shares. However, such shareholders may be subject to taxation in their country of residence.

Under a specific rule, individuals who are not tax resident in Sweden may nonetheless be subject to Swedish taxation upon disposal of shares if they have been resident in Sweden or have stayed permanently in Sweden at any time during the year of disposal or the ten preceding calendar years. The applicability of this rule may, however, be limited by applicable tax treaties between Sweden and other countries.

Certain U.S. federal income tax considerations
THIS SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF RECEIVING, OWNING AND DISPOSING OF SKF VERTEVO'S SHARES, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW AFTER THE DATE HEREOF.

The following is a summary of certain U.S. federal income tax consequences of (i) the receipt of SKF Vertevo shares by U.S. Holders (as defined below) pursuant to the distribution of SKF Vertevo shares to the shareholders of SKF (the "**Distribution**") and (ii) the ownership and disposition of such SKF Vertevo shares. This summary applies only to a U.S. Holder that holds its SKF shares or SKF American Depositary Shares ("**ADSs**"), as the case may be, and will hold its SKF Vertevo shares, as "capital assets" (generally, property held for investment). This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), applicable U.S. Treasury regulations, administrative interpretations, court decisions and the U.S.-Sweden income tax treaty (the "**Treaty**"), all as in effect as of the date of this prospectus and all of which may change, possibly with retroactive effect.

For purposes of this discussion, a "U.S. Holder" is a person that for U.S. federal income tax purposes (i) is a beneficial owner of less than 5 per cent of the SKF shares or ADSs by vote or value, (ii) will be a beneficial owner of less than 5 per cent of the SKF Vertevo shares by vote or value, and (iii) is either:

- a citizen or resident of the U.S.;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the U.S., any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

This discussion does not address all aspects of U.S. federal income taxation that may be important to a U.S. Holder in light of the U.S. Holder's particular circumstances, or to a U.S. Holder subject to special rules, such as:

- a financial institution, regulated investment company or insurance company;
- a tax-exempt organisation;
- a dealer or broker in securities or foreign currencies;
- a shareholder that holds SKF shares or ADSs, or will hold SKF Vertevo shares, as part of a hedge, appreciated financial position, straddle, conversion, or other risk reduction transaction;
- a shareholder that holds SKF shares or ADSs, or will hold SKF Vertevo shares, in a tax-deferred account;
- a shareholder that holds SKF shares or ADSs, or will hold SKF Vertevo shares, in connection with a trade or business conducted outside the United States; or
- a shareholder that acquired or received SKF shares or ADSs as compensation.

If a partnership, or any entity treated as a partnership for U.S. federal income tax purposes, holds SKF shares, SKF ADSs, or SKF Vertevo shares, the tax treatment of a partner in such partnership generally will depend on the status of the partners and the activities of the partnership. A partner in a partnership holding SKF shares, SKF ADSs or SKF Vertevo shares should consult its tax adviser.

A U.S. Holder of ADSs should be treated as the beneficial owner of the underlying SKF shares for U.S. federal income tax purposes and the remainder of this discussion so assumes.

This discussion of certain U.S. federal income tax consequences is not a complete analysis or description of all potential U.S. federal income tax consequences of the Distribution, or of owning SKF Vertevo shares. It does not address tax consequences that may vary with, or are contingent on, individual circumstances (including any minimum tax or Medicare contribution tax consequences). In addition, it does not address any U.S. federal, estate, gift or other non-income tax, or any state, local tax or non-U.S. tax considerations. Accordingly, each holder and beneficial owner of SKF shares or ADSs should consult its tax adviser to determine the particular U.S. federal, state, local or non-U.S. tax consequences of the Distribution and of owning or disposing of SKF Vertevo shares.

The following discussion assumes that neither SKF nor SKF Vertevo has been a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes for any taxable year. Although SKF Vertevo does not expect to be a PFIC for its current taxable year (as discussed below), neither SKF nor SKF Vertevo has determined its respective PFIC status for any taxable year and neither company will obtain a tax opinion regarding its PFIC status for the taxable year in which the Distribution occurs or any other taxable year. A U.S. Holder should consult its tax adviser regarding the U.S. tax consequences if SKF or SKF Vertevo were a PFIC for any taxable year during the U.S. Holder's holding period of the SKF shares, ADSs or SKF Vertevo shares, as applicable.

The Distribution

SKF intends to take the position that for U.S. federal income tax purposes the Distribution qualifies as a non-taxable distribution to U.S. Holders under Section 355 of the Code. However, certain aspects of the application of Section 355 of the Code to the Distribution and certain transactions related thereto (including various arrangements entered into between the parties) are subject to uncertainties. U.S. Holders should be aware that neither SKF nor SKF Vertevo has requested, or intends to request, an opinion from any law or accounting firm, or a ruling from the U.S. Internal Revenue Service (the "**IRS**"), with respect to the U.S. federal income tax treatment of the Distribution or any of the other conclusions expressed herein. Neither SKF nor SKF Vertevo can give any assurance that the IRS will not successfully challenge the views expressed herein. U.S. Holders should consult their tax advisers regarding whether Section 355 of the Code is applicable to the Distribution.

If the Distribution qualifies under Section 355 of the Code:

- no gain or loss would be recognised by, and no amount would be included in the income of, U.S. Holders with respect to the receipt of SKF Vertevo shares in the Distribution except as described below in the 4th bullet;
- the aggregate tax basis of the SKF Vertevo shares received by a U.S. Holder (or the depositary) with respect to the U.S. Holder's SKF shares or ADSs would be determined by allocating the aggregate tax basis the U.S. Holder has in such SKF shares or ADSs immediately before the Distribution between such SKF shares or ADSs, as applicable, and the SKF Vertevo shares received with respect thereto (including any fractions of SKF Vertevo shares receivable), in proportion to their relative fair market values immediately following the Distribution;
- the holding period of SKF Vertevo shares received (including any fractions of a SKF Vertevo share receivable) in the Distribution would include the holding period of the SKF shares or ADSs with respect to which the SKF Vertevo shares were distributed; and
- a U.S. Holder of SKF shares that receives cash in lieu of a fraction of a share of SKF Vertevo, or a U.S. Holder of ADSs whose SKF Vertevo shares are sold by the depositary for the benefit of the U.S. Holder, will recognise capital gain or loss, measured by the difference between the cash received and the U.S. Holder's tax basis in the relevant sold shares, determined as described above. Such gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the sold SKF Vertevo shares (as described above) is more than one year.

A U.S. Holder that acquired different blocks of SKF shares or ADSs at different times and at different prices generally must apply the rules described above separately to each identifiable block of SKF shares or ADSs. Any such U.S. Holder should consult its tax adviser regarding the application of these rules with respect to each block of SKF shares or ADSs.

If contrary to SKF's intended treatment the Distribution does not qualify under Section 355 of the Code as a tax-free distribution, the Distribution would be treated as a taxable distribution of SKF Vertevo shares to U.S. Holders in an amount equal to the fair market value of SKF Vertevo shares on the date of the Distribution (determined in USD). Because SKF does not maintain calculations of its earnings and profits for U.S. federal income tax purposes, U.S. Holders should expect that a taxable distribution would be reported to them in its entirety as a dividend for U.S. federal income tax purposes. In the case of a taxable distribution, a U.S. Holder generally would have a tax basis in the SKF Vertevo shares equal to their fair market value at the time of the Distribution (determined in USD). If the depositary sells SKF Vertevo shares for the benefit of a U.S. Holder of SKF ADSs, the U.S. Holder will recognise further gain or loss on the difference between the amount realised and the U.S. Holder's tax basis in the sold shares.

Ownership of SKF Vertevo shares

The following discussions under "*Dividends*" and "*Dispositions*" are subject to the discussion under "*Passive foreign investment company rules*" below.

Dividends

Distributions received by a U.S. Holder on the SKF Vertevo shares, including the amount of any Swedish taxes withheld, other than certain pro rata distributions of shares, will be treated as foreign-source dividend income to the extent paid out of SKF Vertevo's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Because SKF Vertevo does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported as dividends. Dividends will be included in a U.S. Holder's income on the date of receipt. The amount of any dividend paid in SEK that a U.S. Holder will be required to include in income will equal the USD value of the distribution, calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is converted into USD on such date. If the dividend is converted into USD on the date of receipt, a U.S. Holder generally should not be required to recognise foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss (treated as U.S. source ordinary income) if the dividend is converted into USD after the date of its receipt. U.S. Holders will not be entitled to claim a dividends-received deduction with respect to dividends. Subject to applicable limitations and requirements (including a minimum holding period requirement) and to the PFIC rules described below, and provided that SKF Vertevo is eligible for Treaty benefits, dividends received by certain non-corporate U.S. Holders may be "qualified dividend income" taxable at a rate applicable to long-term capital gains. Non-corporate U.S. Holders should consult their tax advisers to determine whether they are subject to any special rules that limit their ability to be taxed at this favourable rate.

The amount of income from dividends will include any Swedish taxes withheld therefrom. Non-refundable Swedish taxes withheld from dividends on the SKF Vertevo common shares (at a rate not in excess of any applicable rate under the Treaty, in the case of a U.S. Holder that qualifies for the benefits of the Treaty) will generally be creditable against a U.S. Holder's U.S. federal income tax liability, subject to applicable limitations that vary depending upon the U.S. Holder's circumstances and the discussion below regarding the impact of certain Treasury regulations. The rules governing foreign tax credits are complex. For example, under Treasury regulations, in the absence of an election to apply the benefits of an applicable income tax treaty, in order to be creditable, non-U.S. income tax rules must be consistent with certain U.S. federal income tax principles, and no determination has been made as to whether the Swedish income tax system meets these requirements. The IRS released notices that provide relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Instead of claiming a foreign tax credit, a U.S. Holder may be able to elect to deduct foreign taxes, including any Swedish taxes, in computing its taxable income, subject to generally applicable limitations. An election to deduct foreign taxes (instead of claiming foreign tax credits) applies to all otherwise creditable non-U.S. taxes paid or accrued in the taxable year. U.S. Holders should consult their tax advisers regarding the creditability or deductibility of Swedish taxes imposed on dividends in their particular circumstances.

Dispositions

A U.S. Holder will generally recognise U.S.-source capital gain or loss on the sale or other taxable disposition of the SKF Vertevo shares. Any such gain or loss will be long-term capital gain or loss if the holding period of the SKF Vertevo shares exceeds one year. As described above, if the Distribution is treated as a non-taxable transaction, the holding period of the SKF Vertevo shares would include the holding period of the SKF shares or ADSs with respect to which the SKF Vertevo shares were distributed. The amount of the U.S. Holder's gain or loss will be equal to the difference between such U.S. Holder's tax basis in the SKF Vertevo shares sold or disposed of and the amount realised on the sale or disposition, each as determined in USD.

Passive foreign investment company rules

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75 per cent or more of its gross income consists of passive income or (ii) 50 per cent or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income. For the purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25 per cent by value of the stock of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, investment gains and certain rents and royalties. Cash and cash equivalents are generally treated as passive assets. Goodwill and other intangible assets are generally treated as active assets to the extent associated with activities that generate non-passive income.

Based on SKF Vertevo's current composition of income and assets, SKF Vertevo does not expect to be a PFIC for its current taxable year. SKF Vertevo's PFIC status for any taxable year is an annual factual determination that can be made only after the end of that year and will depend on the composition of its income and assets and the value of its assets from time to time (including the value of goodwill and other intangible assets, which may be determined, in part, by reference to the market price of SKF Vertevo's shares, which could be volatile). SKF Vertevo has not conducted, nor does it intend to conduct, annual assessments of its PFIC status for any taxable year. Because SKF Vertevo's PFIC status is in part a factual determination, SKF Vertevo's counsel has not opined on its PFIC status for the taxable year in which the Distribution occurs or any other taxable year, and SKF Vertevo does not intend to seek an opinion on its past, current or future PFIC status. Therefore, SKF Vertevo cannot provide an assurance regarding its PFIC status for its current or any other taxable year.

If SKF Vertevo is a PFIC for any taxable year and any entity in which it owns equity interests is also a PFIC (any such entity, a "**Lower-tier PFIC**"), U.S. Holders will be deemed to own their proportionate share of the Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the following paragraph on (i) certain distributions by the Lower-tier PFIC and (ii) a disposition of equity interests of the Lower-tier PFIC, in each case as if they owned your proportionate share of the Lower-tier PFIC directly, even though they will not receive the proceeds of those distributions or dispositions.

Generally, if SKF Vertevo is a PFIC for any taxable year during a U.S. Holder's holding period, gain recognised by the U.S. Holder upon a sale or other disposition (including, under certain circumstances, a pledge) of SKF Vertevo's shares will be allocated ratably over the U.S. Holder's holding period (determined as described above). The amounts allocated to the taxable year of the sale or other disposition and to the years before SKF Vertevo became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as applicable, and an interest charge will be imposed on the resulting tax liability for each relevant taxable year. Further, to the extent that distributions a U.S. Holder receives on its SKF Vertevo shares in a taxable year exceed 125 per cent of the average of the annual distributions on the shares received during the preceding three taxable years or the U.S. Holder's holding period (determined as described above), whichever is shorter, the excess distributions will be subject to taxation in the same manner. If SKF Vertevo is a PFIC for any taxable year during which a U.S. Holder owns shares, it will generally continue to be treated as a PFIC with respect to the U.S. Holder for all succeeding taxable years during which the U.S. Holder owns the shares, even if SKF Vertevo ceases to meet the threshold requirements for PFIC status.

Certain elections, including a mark-to-market election, may be available to a U.S. Holder, which if timely made, would result in an alternative treatment. U.S. Holders should consult their tax advisers regarding the availability and advisability of making any of these elections if SKF Vertevo is a PFIC for any taxable year. However, U.S. Holders should note that a "qualified electing fund" election will not be available to them.

If SKF Vertevo is a PFIC (or treated as a PFIC with respect to a U.S. Holder) for a taxable year in which SKF Vertevo pays a dividend or the prior taxable year, the favourable tax rate described above with respect to qualified dividend income paid to certain non-corporate U.S. Holders will not apply.

A U.S. Holder that owns SKF Vertevo shares during any taxable year in which SKF Vertevo is a PFIC generally will be required to file annual reports on IRS Form 8621 with respect to SKF Vertevo and any Lower-tier PFIC, generally with the U.S. Holder's federal income tax return for that year.

U.S. Holders should consult their tax advisers regarding SKF Vertevo's PFIC status for any taxable year and the potential application of the PFIC rules to their ownership of SKF Vertevo shares.

Information reporting, backup withholding and foreign financial assets reporting

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) the U.S. Holder is a corporation or other "exempt recipient" (and establishes its exempt status if required to do so) or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals (and certain specified entities) may be required to report information relating to their ownership of SKF Vertevo shares, or non-U.S. accounts through which they are held.



HISTORICAL FINANCIAL STATEMENTS

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INTERIM REPORT JANUARY–SEPTEMBER 2026

Q3 2026

Improved profitability in a challenging market

This interim report refers to SKF Vertevo Group as a stand-alone group, separated from SKF Group. Comments and figures in this report are presented on a combined basis and have been prepared by aggregating entities and operations under common control unless otherwise stated.

- **Net sales** MSEK 6,127 (6,193).
- **Organic growth** of –2.2% (N/A) driven by lower market demand across regions except for India, showing continuous growth.
- **Adjusted operating profit** MSEK 267 (233). The increase was mainly driven by a positive price/mix as well as a positive currency effect.
- **Adjusted operating margin** 4.4% (3.8%).
- **Items affecting comparability** MSEK –522 (–368) mainly related to the separation from SKF.
- **Operating profit** MSEK –255 (–135). This included items affecting comparability of MSEK –522 (–368).
- **Operating margin** –4.2% (–2.2%).
- **Net cash flow from operating activities** MSEK –2,198 (–406). This decrease was primarily due to payments of invoices related to settlements with SKF Group to prepare for listing and the separation of the entities.
- **Adjusted earnings per share** SEK 5.62 (1.54) and Earnings per share SEK –0.11 (–2.51), both before and after dilution.

Financial overview

MSEK unless otherwise stated	Q3 2026	Q3 2025	Nine months 2026	Nine months 2025	Full year 2025
Net sales	6,127	6,193	18,035	19,071	24,725
Organic growth, %	–2.2	N/A	–2.2	N/A	–5.6
Adjusted operating profit	267	233	917	870	903
Adjusted operating margin, %	4.4	3.8	5.1	4.6	3.7
Operating profit	–255	–135	–707	–244	–657
Operating margin, %	–4.2	–2.2	–3.9	–1.3	–2.7
Adjusted net profit	395	149	594	560	438
Net profit	–127	–219	–1,030	–554	–1,122
Adjusted earnings per share, SEK	5.62	1.54	10.35	5.72	3.87
Earnings per share, SEK	–0.11	–2.51	–7.48	–6.51	–13.26
Net debt/Adjusted EBITDA	1.5	N/A	1.5	N/A	2.5
Adjusted ROCE, %	5.5	N/A	5.5	N/A	5.5
Adjusted ROCE, excluding cash and cash equivalents, %	6.1	N/A	6.1	N/A	5.9
Net cash flow from operating activities	–2,198	–406	–2,375	–168	463

N/A = Not available.

FINANCIAL TARGETS & DIVIDEND POLICY

ORGANIC GROWTH	Above market over a business cycle
ADJUSTED OPERATING MARGIN	Above 6% medium-term At or above 8% long-term
ADJUSTED ROCE excluding cash and cash equivalents	10-13% medium-term Above 15% long-term
NET DEBT/ ADJUSTED EBITDA	Less than 1.0x (~0.0x at listing)
DIVIDEND POLICY	30-50% of average Net Profit over a business cycle

CEO-comment

Improved profitability in a challenging market
During the third quarter, we report improved profitability year-over-year in a challenging market environment. Organic sales declined by 2.2%, reflecting lower Original Equipment demand, particularly in Europe. Despite the lower volumes, adjusted operating profit increased to MSEK 267 (233), corresponding to an adjusted operating margin of 4.4% (3.8%).

Market demand remains weak in Passenger Vehicles, while Commercial Vehicles are showing signs of improvement, especially in Americas and in APAC. We are adjusting capacity and costs to match demand. At the same time, we continue to strengthen our position in markets where we see better growth opportunities, e.g. India. New awarded business in the quarter remained strong, supporting future growth as new automotive programmes gradually ramp up over the coming years, in line with the long development cycles of the automotive industry.

The improved profitability in the quarter reflects a positive price/mix, with a shift in sales toward the Vehicle Aftermarket as OEM volumes declined, as well as continued cost-efficiency improvements. Furthermore, currency effects had a positive impact on the adjusted operating profit. This compensated for wage inflation and higher logistics, energy and material costs as well as lower volumes.

Net working capital remained elevated in the quarter, reflecting the operationalisation of the separation impacting both accounts receivables and inventories. We are actively managing these temporary effects while we are driving structural working capital optimisation.

Items affecting comparability also remained significant, primarily reflecting separation-related activities and actions to adapt the organisation. The separation-related items are temporary and will decline as the separation is completed.

Key drivers to reach our profitability and capital efficiency targets
We are well positioned in important margin-accretive and higher-growth areas, including electric vehicles, Commercial Vehicles and Vehicle Aftermarket, giving us a solid foundation from which to increase growth and profitability over time. In Vehicle Aftermarket, we see attractive opportunities to expand our solution portfolio into adjacent categories and deepen our penetration across geographies, channels and customers, building on our strong brand, broad distribution network and OE engineering heritage.

As an automotive pure-play we can unlock efficiency gains from design-to-value and reduced purchased material costs, simplified logistics flows, improved manufacturing efficiency and continuous optimisation of our organizational footprint. We will also be able to reduce complexity, clarify accountability and make decisions faster and closer to customers.

Contract manufacturing with SKF is another important lever to improve margins. It is a temporary arrangement to ensure continuity for customers during the separation, but it is margin dilutive. Over time, we intend to reduce it as we establish our own capacity or alternative sourcing, supporting both profitability and greater operational flexibility.

We see clear opportunities to reduce working capital, improve utilisation of our manufacturing assets, further optimise our footprint and maintain disciplined, return-based investment decisions. Together with higher margins, these actions support our ambition to improve returns over time.

Looking ahead
While geopolitical uncertainty remains elevated and global trade tensions continue to create volatility across parts of our markets, we expect stable demand in the fourth quarter compared to the corresponding period last year.

I would like to extend my sincere thanks to our employees for their commitment, professionalism and dedication throughout this important phase of our transformation. I also want to thank our stakeholders for their continued trust and close collaboration, which is instrumental in this transition.

Kerstin Enochsson
President and CEO



“We are well positioned in important margin-accretive and higher-growth areas, including electric vehicles, Commercial Vehicles and Vehicle Aftermarket”

Key dates to keep in mind

17 November 2026 – SKF Vertevo Capital Markets Day

1 December 2026 – Planned first day of trading on Nasdaq Stockholm, in line with the decision taken by SKF shareholders on 1 October to distribute SKF Vertevo shares.

About SKF Vertevo

A new automotive pure-play built on a century of engineering expertise
SKF Vertevo is a global provider of innovative bearing products and related solutions for Passenger Vehicles, Commercial Vehicles, Two-/three-wheelers and Vehicle Aftermarket, with a global diversified customer base and operations. We have a strong position across several automotive bearing categories, including EVs, SUVs, heavy-duty trucks, motorcycles and high-performance vehicles, supported by our premium brand, engineering and manufacturing capabilities, product quality and long-standing customer relationships. SKF Vertevo has established presence and relationships in core EV producing geographies such as APAC and EMEA, which are among the fastest growing markets for our products.

Bearings reduce friction and increase energy efficiency in rotational motion. Hence, bearings are critical components for the energy efficiency and durability of the automotive systems. Leveraging more than a century of engineering expertise, our focus is on performance-critical applications, enabling reliable and more sustainable mobility for our customers who seek speed, innovation and attentiveness throughout the mobility lifecycle.

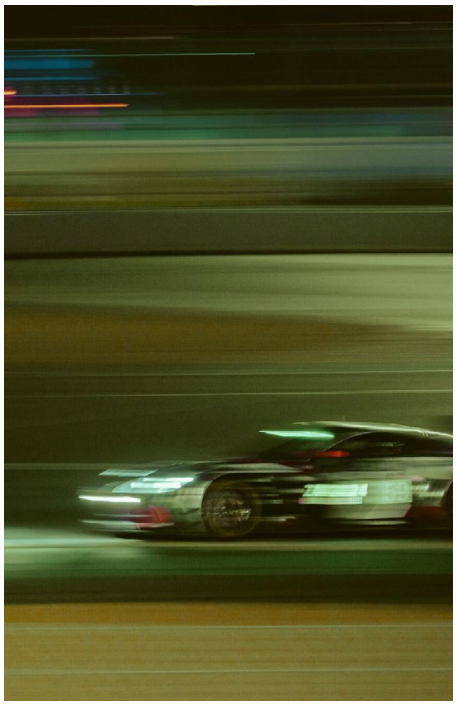
Positioned to drive the next phase of mobility
SKF Vertevo is a global provider of customised automotive bearings and related products and solutions for Passenger Vehicles, including high-performance applications, Commercial Vehicles, Two-/three-wheelers and Vehicle Aftermarket. We combine more than a century of bearing engineering heritage with a premium brand, application know-how, R&D and manufacturing capabilities, product quality and a broad aftermarket distribution platform.

SKF Vertevo serves customers through two primary channels: Original Equipment and Vehicle Aftermarket. In Original Equipment, we serve global and regional OEMs and automotive Tier-1 suppliers, with a focus on performance-critical applications where durability, precision, efficiency, noise and vibration performance and lifecycle reliability are important. We are well positioned to support the ongoing transition towards electrification through our sizable and growing EV product portfolio, established customer relationships and global footprint, while also maintaining a strong position across other powertrains and vehicle applications during the transition.

In Vehicle Aftermarket, SKF Vertevo serves distributors, buying groups, retailers, workshops, fleet operators and digital marketplaces in the independent aftermarket, as well as OEMs' own aftersales channels. The offering combines OE-derived repair and replacement solutions with technical training, dedicated repair tools, repair information, digital support and application know-how. SKF Vertevo supplies the Vehicle Aftermarket both directly and through a network of more than 9,000 distributors. The broad offering and global distribution platform support recurring repair and replacement demand throughout the vehicle lifecycle.

Quick facts
Headquartered in Gothenburg, Sweden, SKF Vertevo operates 10 technical centres worldwide to stay close to our customers.
As of 30 September 2026, the business generated approximately BSEK 23,7 in net sales on a twelve-month basis, of which EMEA accounted for 43 per cent, followed by Americas with 30 per cent, APAC, excl India, with 19 per cent and India with 8 per cent.

As of 30 September 2026, SKF Vertevo employed a global workforce of approximately 7,500 people, drawing from a total presence in over 20 offices and 16 manufacturing facilities worldwide.



SKF Vertevo Group – Quarterly financial information

Net sales

Net sales amounted to MSEK 6,127 (6,193) and decreased by -1.1% compared to last year. Currency effects impacted net sales positively by +1.2%.

Organic sales decreased by 2.2% compared to last year driven by a weak market demand environment and deliberate pruning effects especially for Passenger Vehicles in Europe whilst partly offset by momentum in Vehicle Aftermarket sales.

By geographic region, India grew by 16.2%, while EMEA, Americas and APAC, excl India declined by –6.4%, –0.9% and –3.8% respectively.

Organic sales by region

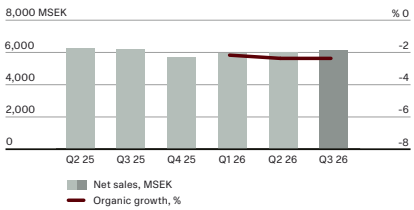
In local currencies, change year-over-year, %	Q3 2026
EMEA	–6.4
Americas	–0.9
APAC, excl India	–3.8
India	16.2

Sales and Adjusted operating profit bridge[1]

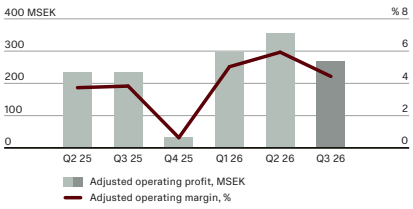
MSEK	Q3 2025	Organic[2]	Currency impact	Q3 2026
Net sales	6,193	–136	70	6,127
Growth, %		–2.2	1.2	–1.1
Adjusted operating profit	233	4	30	267
Adjusted operating margin, %	3.8			4.4

1) Numbers are rounded.
2) Including production volumes and Contract Manufacturing with SKF Group.

Net sales and Organic growth



Adjusted operating profit and Adjusted operating margin



Adjusted operating profit and operating profit

Adjusted operating profit was MSEK 267 (233), with a corresponding adjusted operating margin of 4.4% (3.8%). The improvement was mainly driven by a positive price/mix reflecting a shift in sales towards the Vehicle Aftermarket, as OEM volumes declined. During the quarter currency effects had a positive impact on the adjusted operating profit. Furthermore, also cost development where manufacturing efficiency, procurement management and operational benefits from operating as a separate and more efficient business all contributed positive. This compensated for wage inflation and tariffs.

Operating profit was MSEK –255 (–135). Operating profit included items affecting comparability of MSEK –522 (–368), whereof MSEK –496 (–362) related to restructuring and the separation from SKF as well as MSEK –26 (–6) related to impairments of assets.

Financial net and tax

Financial income and expenses, net was MSEK –17 (–96) and improved MSEK 79 compared to last year, primarily driven by favorable foreign exchange effects. Taxes were MSEK 146 (12) resulting in an effective tax rate of 53.7% (5.2%). Income taxes for the period were influenced by deferred tax income recognised on current year tax losses on split entities as part of separation from SKF Group, resulting in a positive effective tax rate.

Net profit for the period

Adjusted net profit for the quarter was MSEK 395 (149). Net profit amounted to MSEK –127 (–219), including items affecting comparability of MSEK –522 (–368), mainly due to the separation from AB SKF Group.

Interim report January–September 2026

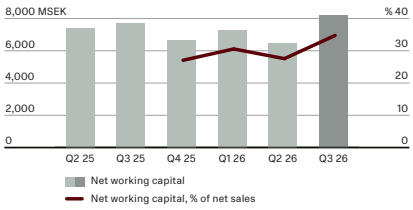
SKF Vertevo Group - Quarterly Financial Information cont.

Key figures, MSEK	30 Sep 2026	31 Dec 2025	30 Sep 2025
Net working capital, % of net sales	34.6	26.9	N/A
Adjusted ROCE, %	5.5	5.5	N/A
Adjusted ROCE, excluding cash and cash equivalents, %	6.1	5.9	N/A
ROCE, %	–6.2	–3.5	N/A
Net debt/equity, %	19.1	35.0	23.4
Net debt/equity, excluding post-employment benefits, %	17.4	32.5	21.1
Net debt/EBITDA	–12.0	320.9	N/A
Net debt/Adjusted EBITDA	1.5	2.5	N/A

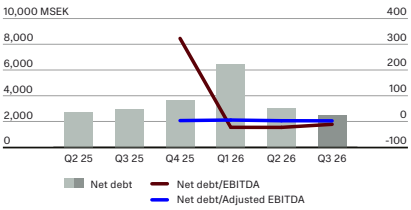
N/A = Not available.

Operating cash flow, MSEK	Q3 2026	Q3 2025	Jan-Sep 2026	Jan-Sep 2025
EBITDA	–67	13	104	317
Taxes paid	–289	–57	95	–12
Non-cash items and other	164	181	–378	391
Changes in net working capital	–2,006	–543	–2,195	–864
Net cash flow from operating activities	**–2,198**	**–406**	**–2,375**	**–168**
Payments for property, plant and equipment	–380	–496	–610	–789
Other investing activities, net	133	114	170	155
Operating cash flow after investments	**–2,445**	**–788**	**–2,815**	**–802**

Net working capital



Net debt and Net debt/Adjusted EBITDA



Financial position

Net working capital as a percentage of twelve months rolling sales was 34.6% in September 2026 compared to 26.9% in December 2025 primarily driven by higher net working capital balances reflecting the operationalisation of the separation relative to annual sales.

As of 30 September 2026, SKF Vertevo had a net debt of MSEK 2,488 compared to MSEK 3,681 as at 31 December 2025. The reduction in net debt of MSEK 1,193 is primarily due to repayment of loans to AB SKF Group.

Cash flow

Net cash flow from operating activities for the quarter was impacted by the separation from SKF Group and amounts to MSEK –2,198 (–406). This decrease was primarily due to payments of invoices related to settlements with SKF Group to prepare for listing and the separation of the entities.

Cash flow impact from items affecting comparability during the quarter is estimated to be approximately MSEK 200 relating to the separation from SKF Group. Cash flow from capital expenditure amounted to MSEK –380 (–496).

Sales development by region and customer category

Organic growth declined by 2.2%, reflecting lower sales in Original Equipment, particularly in Europe

Passenger Vehicle sales declined in EMEA, Americas and APAC, while India showed strong growth. Commercial Vehicle sales developed positively in Americas and APAC.
Vehicle Aftermarket sales remained resilient, with stable development in EMEA and growth in Americas and APAC.
Two-/three-wheeler sales also showed strong growth in India.

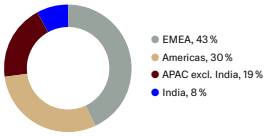
Net sales development by customer category and region[1)]

	Share of net sales by category, %	EMEA	Americas	APAC, excl India	India
Share of net sales by region, %		42	31	18	9
Passenger Vehicles	41	---	---	---	+++
Commercial Vehicles	16	--	+++	++	--
Two-/three-wheelers	5	N/A	N/A	N/A	+
Vehicle Aftermarket	38	+	++	+	--
Total		--	+	-	+

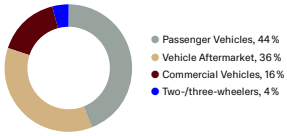
1) For the quarter, in local currencies, changes year-over-year.

+++ / ++ / +: Positive development or increasing sales (where +++ indicates a strong increase).+/-: Unchanged or stable development.- / -- / ---: Negative development or decreased sales (where --- indicates a sharp decline).

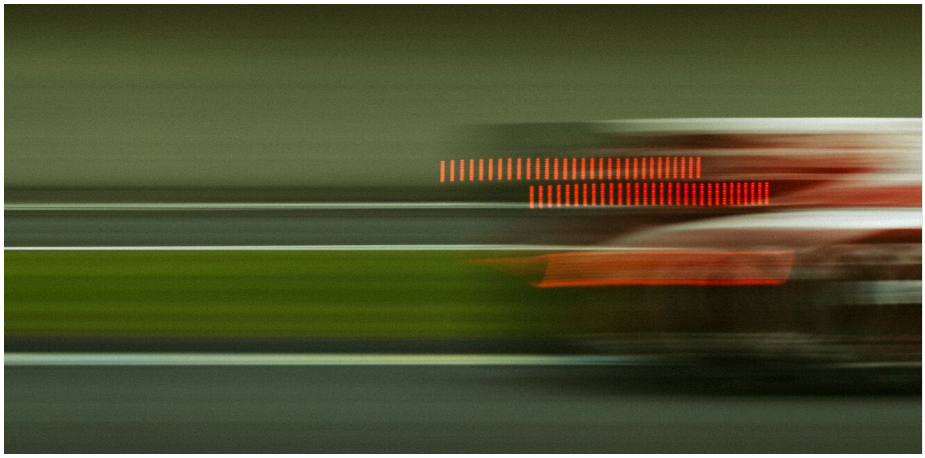
Net sales by region (LTM September-26)[2)]



Net sales by customer category (LTM September-26)[2)]



2) LTM = Last twelve months



Other Group information

Nine-months 2026 financial information

Net sales for the first nine months amounted to MSEK 18,035 (19,071) and decreased by –5.4% compared to last year. Currency effects impacted net sales negatively by –3.2%.

Organic sales decreased by 2.2% compared to last year driven by a weak market demand environment and deliberate pruning effects especially for Passenger Vehicles in Europe whilst partly offset by momentum in Vehicle Aftermarket sales.

By geographic region, India, Americas and APAC, excl India all had positive organic growth with 3.2%, 0.6% and 0.3%, while EMEA declined by –5.9%.

The adjusted operating profit for the first nine months was MSEK 917 (870). Cost development had a positive impact on the adjusted operating profit, mainly an effect from starting to operate as a separate business with more efficiencies. A positive price/mix also contributed to the increase. This compensated for wage inflation and tariffs.

The first nine months also included tariff refunds, impacting operating profit somewhat positively. Adjusted operating profit was negatively impacted by significant currency headwind.

Operating profit for the first nine months was MSEK –707 (–244). Operating profit included items affecting comparability of MSEK –1,624 (–1,114), whereof MSEK –1,345 (–984) related to restructuring and the separation from SKF, as well as MSEK –279 (–130) related to impairment of assets.

Financial income and expenses, net was MSEK –317 (–287) and decreased by MSEK 30 compared to last year, primarily driven by higher interest expenses. Taxes in the first nine months were MSEK –6 (–23), resulting in an effective tax rate of –0.6% (–4.3%). The tax rate was impacted by effects from the separation from SKF Group and new entity structure.

Net cash flow from operating activities in the first nine months was MSEK –2,375 (–168). The decrease was primarily due to the build-up of independent operations and payments of invoices related to settlements with SKF Group to prepare for listing and the separation of the entities.

Sales and adjusted operating profit bridge[1)]

MSEK	YTD 2025	Organic[2)]	Currency impact	YTD 2026
Net sales	19,071	–411	–625	18,035
Growth, %		–2.2	–3.2	–5.4
Adjusted operating profit	870	251	–204	917
Adjusted operating margin, %	4.6			5.1

1) Numbers are rounded.
2) Including production volumes and Contract Manufacturing with SKF Group.

Risks and uncertainties in the business

SKF Vertevo operates in many geographical areas. As a result, the Group is exposed to various types of risks. SKF Vertevo appreciates that there are risks associated with the macro environment such as the geopolitical landscape, the state of global markets and significant industry and technological shifts. There are also business risks including supply chain disruptions, information and cybersecurity threats, and challenges in attracting talent in a competitive labour market. Additionally, there are legal and compliance risks arising from the increased regulatory demands and internal governance and coordination within the Group as well as ongoing regulatory investigations and processes. Further information on the risks and how SKF Vertevo works to mitigate them is found in the SKF Vertevo listing prospectus, available on www.skfvertevo.com/investors.

Significant events during the quarter

- **21 August**, SKF Vertevo entered into a MEUR 400 (approximately BSEK 4.5) multicurrency revolving credit facility agreement (incorporating a BSEK 1.5 swingline facility) with SEB as original lender and original swingline lender.
- **7 September**, The Board of Directors of AB SKF decided to propose the distribution and listing of SKF's Automotive business, SKF Vertevo, and convenes an Extraordinary General Meeting (EGM) on 1 October 2026.
- **24 September,** Nasdaq Stockholm decided to approve SKF Vertevo's application for admission of the Company's shares to trading on Nasdaq Stockholm provided that certain customary conditions are fulfilled. First day of trading is expected to be 1 December 2026.
- **29 September**, SKF Vertevo AB received an unconditional shareholder contribution in the amount of MSEK 3,000 by payment in cash. The capital contribution received was used for pay-back of loans from SKF International AB.

Decarbonized operations 2030

SKF Vertevo has inherited a longstanding track record from SKF Group on understanding and reducing its environmental and climate impact where they began setting targets and reporting as early as 2000 to reduce carbon dioxide emissions as part of their climate agenda.

In 2020, the SKF Group launched the target of decarbonizing own operations by 2030 and in 2021 an additional target was introduced to achieve net-zero emissions across the entire value chain by 2050, also something SKF Vertevo has inherited. These targets now also apply to SKF Vertevo, and in 2026 an external validation by the Science Based Targets initiative will be conducted to confirm that the targets are aligned with the 1.5 C goal of the Paris Agreement.

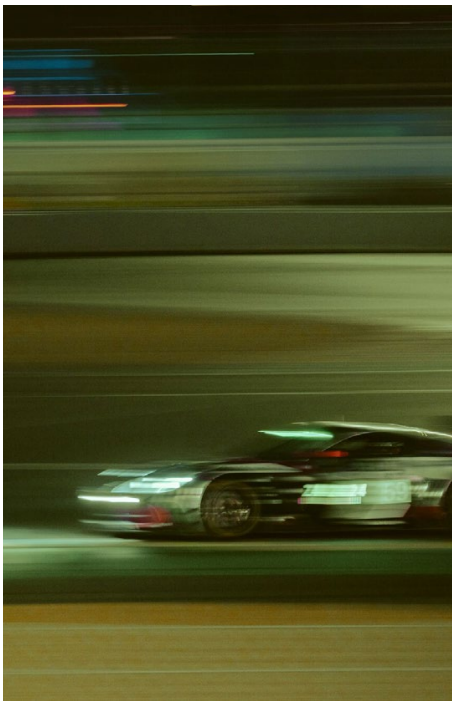
To minimize carbon dioxide emissions in manufacturing operations by 2030, SKF Vertevo focuses on four strategic areas: energy efficiency, operational efficiency improvements, transition to renewable energy sources and electrification. This includes both direct emissions (Scope 1) and indirect emissions (Scope 2).

For 2024 and 2025, SKF Vertevo's total Scope 1 and Scope 2 emissions remained well below the target trajectory. The increased share of renewable electricity continued to contribute to reduced Scope 2 emissions.

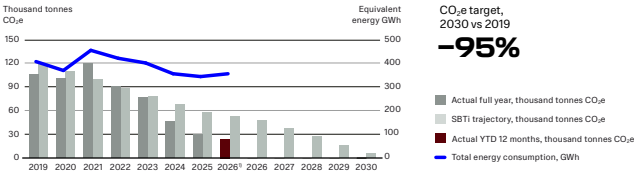
The significant increase in renewable electricity during 2025 included India, China and Indonesia. During the last reported quarter (Q2) on rolling twelve months in comparison with FY2025, the main contribution for the change in decarbonization came from the Shanghai site.

Sustainability is integrated into SKF Vertevo's strategy and is a priority for long-term profitable growth. The global automotive industry is transitioning toward more sustainable transportation and value chains through electrification, net-zero strategies, principles of increased circularity, and responsible business practices. By developing more efficient and sustainable products and solutions for the automotive industry, significantly reducing its own emissions as well as emissions across the entire supply chain, SKF Vertevo is well positioned to drive positive change together with leading customers and partners in the ongoing sustainability transformation. Further information on other material sustainability topics, is to be found in the SKF Vertevo listing prospectus, available on www.skfvertevo.com/investors.

More information on www.skfvertevo.com/sustainability



Decarbonized operations (scope 1 and 2)



CO_2e target, 2030 vs 2019
–95%

- Actual full year, thousand tonnes CO_2e
- SBTi trajectory, thousand tonnes CO_2e
- Actual YTD 12 months, thousand tonnes CO_2e
- Total energy consumption, GWh

1) Latest figures are presented for the end of the previous quarter, 12 months rolling.

Financial statements – SKF Vertevo Group

Condensed combined income statements

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Net sales	6,127	6,193	18,035	19,071
Cost of goods sold	–5,037	–5,421	–15,543	–16,426
Gross profit[1]	**1,090**	**773**	**2,492**	**2,645**
Research and development expenses	–142	–52	–398	–166
Selling and administrative expenses	–932	–840	–2,268	–2,384
Other operating income/expenses, net	–270	–16	–532	–339
Operating profit[2]	**–255**	**–135**	**–707**	**–244**
Financial net	–17	–96	–317	–287
Profit before taxes	**–272**	**–232**	**–1,024**	**–531**
Income tax	146	12	–6	–23
Net profit	**–127**	**–219**	**–1,030**	**–554**
Net profit attributable to:				
Shareholders of the parent company	–10	–228	–681	–593
Non-controlling interests	–117	9	–349	39

1) Gross profit includes items affecting comparability within cost of goods sold. Adjusted gross profit for Jul-Sep 2026 was MSEK 1,257 compared to MSEK 993 for the corresponding three-month period 2025, and MSEK 3,320 for Jan-Sep 2026 compared to MSEK 3,302 for the corresponding nine-month period 2025.
2) Operating profit includes items affecting comparability. Adjusted operating profit for Jul-Sep 2026 was MSEK 267 compared to MSEK 233 for the corresponding three-month period 2025, and MSEK 917 for Jan-Sep 2026 compared to MSEK 870 for the corresponding nine-month period 2025.

Condensed combined statements of comprehensive income

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Net profit	**–127**	**–219**	**–1,030**	**–554**
Items that will not be reclassified to the income statement:				
Remeasurements (actuarial gains and losses)	31	8	108	38
Income taxes	–7	–2	–14	–11
	24	**6**	**94**	**27**
Items that may be reclassified to the income statement:				
Exchange differences arising on translation of foreign operations	349	–88	1,017	–1,053
	349	**–88**	**1,017**	**–1,053**
Other comprehensive income, net of tax	373	–82	1,111	–1,026
Total comprehensive income	**246**	**–301**	**81**	**–1,580**
Shareholders of the parent company	354	–244	418	–1,322
Non-controlling interests	–108	–57	–337	–258

Condensed combined balance sheets

MSEK	30 Sep 2026	31 Dec 2025	30 Sep 2025
Goodwill	333	312	373
Other intangible assets	235	211	218
Property, plant and equipment	6,921	8,095	8,339
Right-of-use asset leases	390	612	624
Non-current financial assets	36	29	181
Deferred tax assets	1,082	419	382
Other non-current assets	106	120	20
Non-current assets	**9,104**	**9,798**	**10,136**
Inventories	7,407	7,494	7,763
Trade receivables	5,227	4,050	4,505
Other current assets	3,699	1,617	1,567
Other current financial assets	2,608	1,595	1,361
Current assets	**18,941**	**14,757**	**15,196**
Total assets	**28,045**	**24,555**	**25,332**
Equity attributable to shareholders of the parent company	12,082	9,773	11,917
Equity attributable to non-controlling interests	947	738	951
Total equity	**13,030**	**10,511**	**12,869**
Non-current financial liabilities	1,047	332	494
Provisions for post-employment benefits	228	263	292
Deferred tax liabilities	669	96	5
Other non-current liabilities and provisions	186	293	296
Non-current liabilities	**2,129**	**984**	**1,086**
Trade payables	4,448	4,904	4,552
Current financial liabilities	3,822	4,681	3,591
Other current liabilities and provisions	4,615	3,475	3,235
Current liabilities	**12,886**	**13,060**	**11,378**
Total equity and liabilities	**28,045**	**24,555**	**25,332**

Condensed combined statements of changes in shareholders' equity

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Opening balance 1 July / 1 January	**9,605**	**12,682**	**10,511**	**14,424**
Net profit	–127	–219	–1,030	–554
Components of other comprehensive income				
Currency translation adjustments	349	–88	1,017	–1,053
Remeasurements	31	8	108	38
Income taxes	–7	–2	–14	–11
Transactions with shareholders				
Dividends	–231	–112	–231	–112
Other[1)]	3,408	600	2,668	137
Closing balance 30 September	**13,030**	**12,869**	**13,030**	**12,869**

1) Consists of transactions with SKF Group primarily relating to the separation of legal entities and capital contribution.

Condensed combined cash flow statement

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Operating activities:				
Operating profit	−255	−135	−707	−244
Non-cash items:				
Depreciation, amortisation and impairment	189	148	810	561
Net loss/gain (—) on sales of PPE and businesses	18	2	34	4
Other non-cash items	173	282	−69	692
Income taxes paid	−289	−57	95	−12
Contributions to and payments under post-employment defined benefit plans	−12	−6	−26	−19
Interest and other financial items (net)	−17	−96	−317	−287
Changes in working capital:				
Inventories	−343	236	510	466
Accounts receivable	135	−25	−728	−581
Accounts payable	−1,308	−574	−877	−581
Other operating assets/liabilities	−490	−179	−1,100	−169
Net cash flow from operating activities	**−2,198**	**−406**	**−2,375**	**−168**
Investing activities:				
Payments for property, plant and equipment	−380	−496	−610	−789
Sales of property, plant and equipment	133	114	179	156
Investment in/sale of equity securities	-	-	−9	-
Net cash flow used in investing activities	**−247**	**−382**	**−441**	**−634**
Net cash flow after investments before financing	**−2,445**	**−788**	**−2,815**	**−802**

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Financing activities:				
Proceeds from current and non-current loans	2,507	562	4,644	1,027
Repayments of current and non-current loans	−3,724	−332	−4,375	−588
Repayment of leases	−21	22	−93	−27
Investments in financial assets	-	-	−13	−1
Sales of financial assets	14	-	16	8
Other financing items	190	-	−211	70
Net Cash flow used in financing activities	**−1,033**	**251**	**−31**	**488**
Net Cash flow	**−3,478**	**−536**	**−2,846**	**−313**
Cash and cash equivalents at the beginning of the period	2,619	1,296	1,332	1,173
Exchange rate effects	175	28	513	−160
Transactions with owners[1)]	2,767	558	3,084	647
Cash and cash equivalents at end of the period	**2,083**	**1,346**	**2,083**	**1,346**

1) Transactions with owners consist of effects on cash from cash flows presented in SKF Vertevo's combined financial statements belonging to legal entities which will remain part of the SKF Group following the separation.

Condensed combined financial information

MSEK (unless otherwise stated)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26	Q3/26
Net sales	6,643	6,234	6,193	5,654	5,907	6,001	6,127
Cost of goods sold	–5,429	–5,576	–5,421	–5,030	–5,179	–5,326	–5,037
Gross profit	**1,214**	**658**	**773**	**624**	**728**	**675**	**1,090**
Gross margin, %	18.3	10.6	12.5	11.0	12.3	11.2	17.8
Adjusted gross profit	1,224	1,084	993	757	889	1,174	1,257
Adjusted gross margin, %	18.4	17.4	16.0	13.4	15.0	19.6	20.5
Research and development expenses	–56	–58	–52	–89	–117	–140	–142
Selling and administrative expenses	–766	–778	–840	–781	–612	–724	–932
as % of sales	11.5	12.5	13.6	13.8	10.4	12.1	15.2
Other operating income/expenses, net	–139	–183	–16	–167	–75	–187	–270
Operating profit	**252**	**–361**	**–135**	**–413**	**–76**	**–376**	**–255**
Operating margin, %	3.8	–5.8	–2.2	–7.3	–1.3	–6.3	–4.2
Adjusted operating profit	403	234	233	33	295	355	267
Adjusted operating margin, %	6.1	3.7	3.8	0.6	5.0	5.9	4.4
Financial net	–58	–132	–96	–168	–85	–215	–17
Profit before taxes	**194**	**–493**	**–232**	**–581**	**–161**	**–591**	**–272**
Profit margin before taxes, %	2.9	–7.9	–3.7	–10.3	–2.7	–9.8	–4.4
Income taxes	–64	29	12	12	183	–335	146
Net profit	**130**	**–464**	**–219**	**–569**	**22**	**–925**	**–127**
Net profit attributable to:							
Shareholders of the parent company	110	–475	–228	–615	–12	–659	–10
Non-controlling interests	20	11	9	46	34	–266	–117

Interim report January–September 2026

Key figures

MSEK (unless otherwise stated)	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26	Q3/26
Net sales	6,643	6,234	6,193	5,654	5,907	6,001	6,127
Organic growth, %[1)]	—	—	—	—	–1.3	–2.4	–2.2
Adjusted EBITDA[1)]	552	375	375	189	471	543	428
Adjusted EBITDA margin, %[1)]	8.3	6.0	6.1	3.3	8.0	9.0	7.0
Adjusted gross profit [1)]	1,224	1,084	993	757	889	1,174	1,257
Adjusted gross margin, % [1)]	18.4	17.4	16.0	13.4	15.0	19.6	20.5
Adjusted operating profit[1)]	403	234	233	33	295	355	267
Adjusted operating margin, %[1)]	6.1	3.7	3.8	0.6	5.0	5.9	4.4
Items affecting comparability [1)]	–151	–595	–368	–446	–371	–731	–522
of which: items affecting comparability within cost of goods sold [1)]	–11	–425	–221	–133	–161	–499	–167
Gross profit [1)]	1,214	658	773	624	728	675	1,090
Gross margin, % [1)]	18.3	10.6	12.5	11.0	12.3	11.2	17.8
Operating profit/loss [1)]	252	–361	–135	–413	–76	–376	–255
Operating margin, %[1)]	3.8	–5.8	–2.2	–7.3	–1.3	–6.3	–4.2
Net working capital, % of net sales [1)]	—	—	—	26.9	30.4	27.4	34.6
ROCE, %[1)]	—	—	—	–3.5	–5.9	–5.9	–6.2
Adjusted ROCE, %[1)]	—	—	—	5.5	5.1	5.8	5.5
Adjusted ROCE, excluding cash and cash equivalents, % [1)]	—	—	—	5.9	5.5	6.6	6.1
Return on equity (ROE), % [1)]	—	—	—	–9.0	–12.5	–15.2	–12.3
Gearing, % [1)]	24.1	24.4	25.4	33.4	55.5	39.9	28.1
Equity/assets ratio, %[1)]	50.7	50.2	50.8	42.8	27.4	36.2	46.5
Additions to property, plant and equipment [1)]	57	136	351	266	36	193	380
Net debt [1)]	2,889	2,781	3,012	3,681	6,495	3,064	2,488
Net debt/EBITDA[1)]	—	—	—	320.9	–23.6	–23.9	–12.0
Net debt/Adjusted EBITDA[1)]	—	—	—	2.5	4.6	1.9	1.5
Net debt/equity, %[1)]	22.8	21.9	23.4	35.0	91.9	31.9	19.1
Net debt/equity, excluding post-employment benefits, % [1)]	20.6	19.6	21.1	32.5	88.2	29.2	17.4
Registered number of employees	7,592	7,597	7,472	7,499	7,565	7,390	7,435

Definitions, see page 18.
SKF Vertevo applies the guidelines issued by ESMA (European Securities and Markets Authority) on APMs (Alternative Performance Measures). These key figures are not defined or specified in IFRS but provide complementary information to investors and other stakeholders on the company's performance. The definition of each APM is presented at the end of the interim report. For the reconciliation of each APM against the most reconcilable line item in the financial statements, see www.skfvertevo.com/investors.
1) Alternative performance measure (non-IFRS measure)

Notes

NOTE 1 ACCOUNTING PRINCIPLES

SKF Vertevo Group applies IFRS® Accounting Standards as adopted by the EU as well as the interpretations of the applicable standards, IFRIC. The interim report of the SKF Vertevo Group has been prepared in accordance with IAS 34 "Interim Financial Reporting" and the applicable additional provisions of the Swedish Annual Accounts Act.

The financial information is presented on a combined basis and has been prepared by aggregating entities and operations under common control using predecessor accounting. Revenues, expenses, assets, liabilities and cash flows have primarily been allocated based on SKF Group's internal operating reporting, reflecting the automotive business activities included in SKF Vertevo. During the separation process, allocations have progressively been replaced by actual assets and liabilities transferred to SKF Vertevo entities.

Disclosures as required by IAS 34 p. 16 A are provided in the notes to the financial statements as well as in other parts of the interim report. IASB issued several amended accounting standards that were endorsed by EU, effective date 1 January 2026. None of these have a material effect on the SKF Vertevo Group's financial statements.

The financial statements of the Parent Company were prepared in accordance with the "Annual Accounts Act" and the RFR 2 "Accounting for legal entities".

Pillar II income taxes legislation was effective from 1 January 2024. Under the legislation, the Parent Company will be required to pay top-up tax on profit of its subsidiaries that are taxed at an effective tax rate of less than 15%. No top-up tax has been included in the financial statements for 2026. SKF Vertevo Group has analysed the financial figures and concluded that the Group is not expecting any additional material top-up tax during 2026. The Group will continue to assess the impact of Pillar II income taxes legislation on its future financial performance.

SKF Vertevo Group is managed and reported as a single reportable segment. The financial information presented reflects the Group's single reportable segment.

NOTE 2 REVENUE

Net sales by customer location[1)]

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
EMEA	2,543	2,706	7,930	8,589
Americas	1,882	1,851	5,413	5,628
APAC, excl. India	1,156	1,153	3,218	3,294
India	557	516	1,474	1,646
Eliminations	–10	–33	-	–87
Total	**6,127**	**6,193**	**18,035**	**19,071**

1) Net sales are allocated according to the location of the respective customer.

NOTE 3 TRANSACTIONS WITH RELATED PARTIES

SKF Vertevo is owned by the SKF Group. The SKF Vertevo Group and the SKF Group have outstanding balances relating to trade receivables, trade payables, intercompany accounts and other current liabilities, which are settled under normal commercial terms. Transactions for goods and services between group entities are conducted on arm's length terms and at market-based prices.

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Sales of goods and services to SKF Group	234	258	827	807
Purchases of goods and services from SKF Group	942	1,068	3,063	3,186

	Receivables		Liabilities	
MSEK	30 Sep 2026	31 Dec 2025	30 Sep 2026	31 Dec 2025
Balance with SKF Group	783	1,242	5,539	6,523

Transfers of receivables and liabilities between the SKF Group and the SKF Vertevo Group in connection with the formation of the SKF Vertevo Group have been classified as shareholder transactions and recognised directly in equity in the Combined Statement of Changes in Equity.

During the quarter, SKF Vertevo AB received an unconditional shareholder contribution in the amount of MSEK 3,000 by payment in cash. The capital contribution received was used for pay-back of loans of MSEK 2,616 from SKF International AB, a subsidiary of AB SKF Group.

Notes

NOTE 4 FINANCIAL INSTRUMENTS

Further information on the risks and how SKF Vertevo works to mitigate them is found in the SKF Vertevo listing prospectus, available on www.skfvertevo.com/investors.

Valuation principles and classifications of the financial instruments, as described in the SKF Vertevo listing prospectus, have been consistently applied throughout the reporting period. There are no major changes in fair value during the period.

The table below presents financial instruments by category and measurement level.

		30 Sep 2026		31 Dec 2025	
MSEK	Measurement level	Carrying value	Fair value	Carrying value	Fair value
Financial assets carried at amortised cost					
Trade receivables	–	5,227	5,227	4,050	4,050
Cash and cash equivalents	–	2,083	2,083	1,332	1,332
Other loans and receivables	–	542	542	283	283
		7,852	**7,852**	**5,665**	**5,665**
Financial assets carried at fair value through OCI					
Equity securities	1	19	19	9	9
Financial liabilities carried at amortised cost					
Trade payables	–	4,448	4,448	4,904	4,904
of which trade payables under supply chain financing arrangement		*623*	*623*	*687*	*687*
Current and non-current lease liabilities	–	444	444	367	367
Current and non-current loans	–	4,425	4,425	4,645	4,645
		9,317	**9,317**	**9,916**	**9,916**

NOTE 5 SUBSEQUENT EVENTS

- **1 October**, an EGM of AB SKF approved the distribution of SKF Vertevo from AB SKF to its shareholders. Shareholders of AB SKF will receive one SKF Vertevo AB share for every five AB SKF shares held. In total, 91,070,213 shares in SKF Vertevo will be distributed to the shareholders of AB SKF.
- **15 October,** the MEUR 400 multicurrency revolving credit facility that was entered into on August 21 has successfully been syndicated to a group of 8 banks, with each bank holding a ticket size of MEUR 50.
- **16 October**, SKF Vertevo entered into a term loan facility agreement of MEUR 50 (approximately MSEK 550) with Svensk Exportkredit as lender.
- **19 October**, SKF Vertevo's subsidiary SKF Automotive (Shanghai) Co., Ltd. entered into a term loan facility agreement of MCNY 760 (approximately MSEK 1,100) with Bank of China as lender. On 26 October SKF Vertevo AB entered into a guarantee agreement of MCNY 760 with Bank of China to secure the obligations according to the loan facility agreement.
- **23 October,** SKF Vertevo received an unconditional shareholder contribution in the amount of MSEK 3,600 by way of cash payment from the shareholder AB SKF.
- **10 November**, SKF's Board of Directors resolved that the record date for the distribution of all SKF Vertevo shares to the shareholders of SKF will be 27 November 2026 and the first day of trading in the SKF Vertevo share on Nasdaq Stockholm is expected to occur on 1 December 2026. The Company's ticker symbol on Nasdaq Stockholm for the shares of series A and B will be SKFVER A and SKFVER B, respectively.
- **10 November**, SKF Vertevo and SKF entered into the Master Separation Agreement which governs the separation principles and the allocation of liabilities between the parties. The Master Separation Agreement will remain in force during a perpetual period of time, neither party has a right to terminate the agreement and the agreement becomes effective on the date of the distribution of the shares in SKF Vertevo to the shareholders of SKF.

Financial statements – Parent Company

Parent Company condensed income statements[1)]

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Revenue	79	—	209	—
Cost of revenue	–153	—	–415	—
General management and administrative expenses	–646	—	–1,053	—
Other operating income/expenses, net	3	—	7	—
Operating profit	**–717**	**—**	**–1,252**	**—**
Financial income and expenses, net	115	—	107	—
Profit before taxes	**–602**	**—**	**–1,145**	**—**
Income taxes	144	—	252	—
Net profit	**–458**	**—**	**–893**	**—**

Parent Company condensed statements of comprehensive income[1)]

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025
Net profit	–458	—	–893	—
Items that will not be reclassified to the income statement:				
Assets at fair value through other comprehensive income	—	—	—	—
Other comprehensive income, net of tax	**–458**	**—**	**–893**	**—**
Total comprehensive income	**–458**	**—**	**–893**	**—**

Parent Company condensed balance sheets[1)]

MSEK	September 2026	December 2025	September 2025
Investments in subsidiaries	7,156	3,805	7
Receivables from subsidiaries	111	—	—
Other non-current assets	257	—	—
Non-current assets	**7,524**	**3,805**	**7**
Receivables from subsidiaries	4,661	510	—
Other receivables	714	20	1
Current assets	**5,375**	**530**	**1**
Total assets	**12,899**	**4,335**	**8**
Shareholders' equity	8,156	3,317	1
Current liabilities	4,743	1,018	7
Total shareholders' equity, provisions and liabilities	**12,899**	**4,335**	**8**

1) SKF Vertevo AB was registered in November 2024, with operational activities commencing in Q4 2025.

The Board of Directors and the CEO declare that the nine-months interim report gives a true and fair view of the performance of the business, position and profit or loss of the company and the Group, and describes the principal risks and uncertainties that the company and the companies in the Group face.

Gothenburg, 10 November 2026
SKF Vertevo AB

Håkan Buskhe *Chair*	Therese Friberg *Board member*	Hock Goh *Board member*
Philip Ahlgren *Board member*	Jumana Al-Sibai *Board member*	Kerstin Enochsson *President and CEO* *Board member*
Ebba Bonde *Board member*	Maria Hemberg *Board member*	Theres Gebl *Board member*

Auditor's report

Independent Auditor's Report on the review of nine-months financial information. To the Board of Directors of SKF Vertevo AB, Corporate ID No. 559505-9022

Introduction
We have reviewed the interim report of SKF Vertevo AB for the period January 1-September 30, 2026. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, 10 November 2026
Deloitte AB

Hans Warén
Authorized Public Accountant

Alternative performance measures and definitions

Additions to property, plant and equipment
Investments relating to acquisition of property, plant and equipment.

Adjusted earnings per share, SEK
Earnings per share based on adjusted net profit attributable to shareholders, excluding items affecting comparability (no tax adjustment).

Adjusted EBITDA (Earnings before interest, taxes, depreciation and amortization)
Operating profit excluding items affecting comparability before depreciations, amortisations, and impairments.

Adjusted EBITDA margin, %
Adjusted EBITDA as a percentage of net sales.

Adjusted gross profit
Gross profit excluding items affecting comparability within cost of goods sold.

Adjusted gross margin, %
Gross profit margin excluding items affecting comparability within cost of goods sold.

Adjusted net profit
Net profit excluding items affecting comparability (no tax adjustment).

Adjusted operating profit
Operating profit excluding items affecting comparability.

Adjusted operating margin, %
Operating profit margin excluding items affecting comparability.

Adjusted return on capital employed (Adjusted ROCE), %
Return on capital employed (ROCE) excluding items affecting comparability.

Adjusted ROCE, excluding cash and cash equivalents, %
Return on capital employed (ROCE) excluding items affecting comparability and cash and cash equivalents.

Capital employed
Twelve months rolling average of total assets less the average of other non-current provisions, current provisions, deferred tax liabilities, other non-current liabilities, trade payables and other current liabilities.

Equity/ assets ratio, %
Equity as a percentage of total assets.

Gross profit
Net sales less cost of goods sold.

Gross margin, %
Gross profit as a percentage of net sales.

Gearing, %
Non-Current financial liabilities, other current financial liabilities excluding current derivative liabilities, provision for post-employment benefits and non-current lease liabilities (debt) as a percentage of the sum of debt and total equity.

Items affecting comparability
Significant income/expenses that, due to amount or type of transaction, affect comparability between accounting periods. This includes, but is not limited to, restructuring costs, separation costs of SKF Vertevo from SKF including build-up of new organisation structure, impairments and write-offs, currency effects caused by devaluations and gains and losses on divestments of businesses.

Items affecting comparability within cost of goods sold
Significant expenses within cost of goods sold that, due to amount or type of transaction, affect comparability between accounting periods. This includes, but is not limited to, restructuring costs, separation costs of SKF Vertevo from SKF including build-up of new organisation structure, impairments and write-offs, currency effects caused by devaluations.

Net debt
Non-current financial liabilities, current lease liabilities, other current financial liabilities excluding current derivative liabilities, provision for post-employment benefits and non-current lease liabilities less other current financial assets and cash and cash equivalent excluding derivatives.

Net debt/adjusted EBITDA
Net debt, in relation to 12 months rolling EBITDA excluding items affecting comparability.

Net debt/EBITDA
Net debt, in relation to 12 months' rolling EBITDA.
Net debt/equity, %
Net debt, as a percentage of total equity.

Net debt/equity, excluding post-employment benefits, %
Net debt, as a percentage of total equity, excluding post-employment benefits.

Net working capital (NWC)
Trade receivables plus inventories minus trade payables.

Net working capital (NWC), % of net sales
Trade receivables plus inventory minus trade payables as a percentage of twelve months' rolling net sales.

Operating profit/loss
Gross profit less research and development expenses, selling and administrative expenses and other operating income/expense, net.

Operating margin, %
Operating profit/loss, as a percentage of net sales.

Organic growth, %
Net sales growth excluding effects of currency.

Return on capital employed (ROCE), %
Operating profit/loss plus interest income as a percentage of 12 months rolling average of total assets less the average of other non-current provisions, current provisions, deferred tax liabilities, other non-current liabilities, trade payables and other current liabilities.

Return on equity (ROE), %
Profit/loss after taxes as a percentage of 12 months rolling average of total equity.

For reconciliations of Key figures, see www.skfvertevo.com/investors

Interim report January–September 2026

Presentation of the report

Calendar

10 November 2026	Q3 report
17 November 2026	Capital Markets Day
3 February 2027	Q4 report
19 March 2027	Annual report 2026
30 April 2027	Q1 report
30 April 2027	Annual General Meeting

Contact

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Cautionary statement
This report contains forward-looking statements that reflect SKF Vertevo's current expectations on future events and financial and operational development. Forward-looking statements are inherently associated with risks and uncertainties, both known and unknown, and depend on future events and circumstances. Although management believes that the expectations reflected in the forward-looking statements are reasonable, no assurance can be given that such expectations will be fulfilled. Any statements about future strategy and business decisions are indicative only and remain subject to all necessary approvals. Results and actual outcomes could differ materially as a result of several factors, including but not limited to changes in economic, market and competitive conditions, regulatory changes and other government action, and fluctuations in exchange rates. SKF Vertevo makes no undertaking to disclose, update or revise any forward-looking statement due to new information, future events or other such matters, other than what is required according to applicable legislation.

This report is published in Swedish and English. The Swedish version shall apply in any instance where the two versions differ. Tables and calculations in the report do not always agree exactly with the totals due to rounding. Comparisons refer to the corresponding period last year, unless otherwise stated.

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This is SKF Vertevo

SKF Vertevo traces its roots back more than a century as part of the SKF Group. Since 1907, SKF has been part of setting the world in motion.

In 2024 SKF Group announced the initiated separation of the Automotive business into a stand-alone company. On 26 February 2026 it was announced that the name of separated Automotive business will be SKF Vertevo.

Headquartered in Gothenburg, Sweden, SKF Vertevo operates 10 technical centres and 16 manufacturing facilities, supported by a global distribution network including 9 kitting centres, 52 warehouses and 31 remote local stock locations. As of 30 September 2026, SKF Vertevo employed a global workforce of approximately 7,500 people. As of 30 September 2026, the business generated approximately BSEK 23,7 in net sales on a twelve-month basis, of which EMEA accounted for 43%, followed by Americas with 30%, APAC, excl India, with 19% and India with 8%.

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Company registration number 559505-9022

COMBINED FINANCIAL STATEMENTS FOR YEAR 2025 AND 2024

COMBINED INCOME STATEMENT

MSEK	Note	2025	2024
Net sales	2	24,725	28,133
Cost of goods sold	4	–21,456	–23,387
Gross profit[1]		**3,269**	**4,745**
Research and development expenses	3	–255	–224
Selling expenses	4	–3,023	–2,798
Administrative expenses	4	–142	–146
Other operating income	5	827	374
Other operating expense	5	–1,333	–722
Operating profit[2]		**–657**	**1,230**
Financial income	6	129	200
Financial expense	6	–584	–241
Profit before taxes		**–1,112**	**1,189**
Income tax	7	–11	–218
Net profit		**–1,122**	**971**
Net profit attributable to:			
Shareholders of the parent company		–1,208	897
Non-controlling interests		85	74
Earnings per share (SEK), before and after dilution	15	–13.26	9.85

1) Gross profit includes items affecting comparability within cost of goods sold. Adjusted gross profit for 2025 was MSEK 4,059 compared to MSEK 4,925 for 2024.
2) Operating profit includes items affecting comparability. Adjusted operating profit for 2025 was MSEK 903 compared to 1,567 for 2024.

COMBINED COMPREHENSIVE INCOME STATEMENT

MSEK	Note	2025	2024
Net profit		–1,122	971
Items that will not be reclassified to the income statement			
Remeasurements (actuarial gains and losses)	16	63	38
Income tax	7	–18	–10
		45	28
Items that may be reclassified to the income statement			
Currency translation differences		–1,309	320
Income tax	7	–	–
		–1,309	320
Other comprehensive income, net of tax		**–1,264**	**348**
Total comprehensive income		**–2,386**	**1,319**
Total comprehensive income attributable to shareholders of the parent company		–2,148	1,158
Non-controlling interests		–238	161

COMBINED BALANCE SHEET

MSEK	Note	31 Dec 2025	31 Dec 2024
Goodwill	8	312	453
Other intangible assets	8	211	283
Property, plant and equipment	9	8,095	9,596
Right-of-use assets	10	612	693
Non-current financial assets	12	29	227
Deferred tax assets	7	419	391
Other non-current assets		121	22
Non-current assets		**9,798**	**11,665**
Inventories	11	7,494	8,809
Trade receivables	12	4,050	4,468
Other current assets	13	1,617	1,218
Other current financial assets	12	263	94
Cash and cash equivalents	12	1,332	1,173
Current assets		**14,757**	**15,761**
Total assets		**24,555**	**27,427**
Equity attributable to shareholders of the parent company		9,773	13,415
Equity attributable to non-controlling interests	25	738	1,010
Total equity		**10,511**	**14,425**
Non-current financial liabilities	18	83	289
Non-current lease liabilities	10, 18	249	218
Provisions for post-employment benefits	16	263	340
Deferred tax liabilities	7	96	22
Other non-current provisions	17	232	121
Other non-current liabilities		61	48
Non-current liabilities		**984**	**1,039**
Trade payables	18	4,904	5,638
Current provisions	17	584	181
Current lease liabilities	10, 18	118	76
Other current financial liabilities	18	4,562	3,462
Other current liabilities	19	2,892	2,607
Current liabilities		**13,060**	**11,964**
Total equity and liabilities		**24,555**	**27,427**

COMBINED STATEMENTS OF CASH FLOW

MSEK	2025	2024
Operating activities:		
Operating profit	–657	1,230
Non-cash items:		
Depreciation, amortisation and impairment	673	562
Net loss/gain (–) on sale of property, plant and equipment	4	–3
Other non-cash items[1]	830	113
Income taxes paid	184	–576
Contributions to and payments under post-employment defined benefit plans	–25	–28
Changes in working capital:		
Inventories	559	–1,531
Accounts receivable	–255	501
Accounts payable	–109	1,460
Other operating assets/liabilities	–285	260
Interest and other financial items	–455	–41
Net cash flow from operating activities	**463**	**1,945**
Investing activities:		
Additions to property, plant and equipment	1,076	1,097
Additions to intangible assets	–0	–1
Sale of property, plant and equipment	211	92
Investment in/ sale of equity securities	–9	–
Net cash flow from investing activities	**875**	**–1,005**
Net cash flow after investments before financing	**–412**	**940**
Financing activities:		
Proceeds from current and non-current loans	2,189	915
Repayments of current and non-current loans	–720	–124
Repayment of leases	–98	–174
Investments in financial assets	–1	–95
Sale of financial assets	162	–
Other financing items	–281	140
Net cash flow from financing activities	**1,251**	**663**
Net cash flow	**839**	**1,603**
Cash and cash equivalents at the beginning of the year	1,173	1,550
Exchange rate effect	–133	–178
Transactions with SKF Group[2]	–546	–1,801
Cash and cash equivalents at end of the period	**1,332**	**1,173**

1) Other non-cash items primarily consist of changes in provisions.
2) Transactions with SKF Group consist of effects on cash from cash flows included in SKF Vertevo's combined financial statements belonging to legal entities which will remain in the SKF Group following the separation.

COMBINED STATEMENTS OF CHANGES IN EQUITY

MSEK	Share capital	Other contributed capital	Translation reserve	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling interests	Total
Opening balance 1 January 2024	**0**	**14,366**	**–227**		**14,140**	**1,058**	**15,198**
Net profit				897	**897**	74	**971**
Components of other comprehensive income							
Currency translation differences			233		**233**	87	**320**
Remeasurements (actuarial gains and losses)				38	**38**		**38**
Income taxes				–10	**–10**		**–10**
Transactions with SKF Group							
Dividends		–444			**–444**	–369	**–813**
Other transactions with SKF Group	0	–1,439			**–1,439**	160	**–1,279**
Closing balance 31 December 2024	**0**	**12,483**	**7**	**925**	**13,414**	**1,010**	**14,424**
Net profit				–1,208	**–1,208**	85	**–1,122**
Components of other comprehensive income							
Currency translation differences			–987		**–987**	–322	**–1,309**
Remeasurements (actuarial gains and losses)				66	**66**	–3	**63**
Income taxes				–19	**–19**	1	**–18**
Transactions with SKF Group							
Dividends		–652			**–652**	–37	**–689**
Other transactions with SKF Group		–840			**–840**	3	**–837**
Closing balance 31 December 2025	**0**	**10,991**	**–981**	**–236**	**9,775**	**738**	**10,512**

NOTES

NOTE 1 SIGNIFICANT ACCOUNTING PRINCIPLES – ASSESSMENTS AND ASSUMPTIONS FOR ACCOUNTING PURPOSES

At an extraordinary general meeting ("EGM") held on 1 October 2026, the shareholders of AB SKF resolved, in accordance with the proposal by the Board of Directors of AB SKF, to distribute AB SKF's automotive business to its shareholders through a dividend in kind consisting of all the shares in the wholly-owned subsidiary SKF Vertevo AB (the "Distribution"). The Distribution is expected to be carried out in December 2026. Shareholders of AB SKF will receive one (1) share of series A in SKF Vertevo AB for every five (5) shares of series A held in AB SKF and one (1) share of series B in SKF Vertevo AB for every five (5) shares of series B held in AB SKF. It is expected that the shares of SKF Vertevo AB will be admitted to trading on Nasdaq Stockholm in Sweden in connection with the Distribution.

The combined financial statements comprise SKF Vertevo AB, corporate registration number 559505-9022 ("SKF Vertevo AB" or the "Parent Company") and all its group companies, jointly the SKF Vertevo Group ("SKF Vertevo") with registered office in Gothenburg, Sweden. These combined financial statements comprise the automotive business controlled by the AB SKF group (the "SKF Group") as per the end of the reporting date.

The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency of the Parent Company and SKF Vertevo. Accordingly, these financial statements are presented in SEK.

The combined financial statements have been prepared to present SKF Vertevo's historical financial information for the financial years 2024 and 2025.

All figures in these combined financial statements have been rounded to the nearest million, unless otherwise stated. Therefore, figures in these financial statements may not add up precisely to the totals presented.

The combined financial statements are presented on pages 111–113 in the prospectus. These financial statements were approved for issue by the Board of Directors of SKF Vertevo AB on 10 November, 2026.

The automotive business has been carried out through separate legal entities (see Note 26 for more information) but also in shared legal entities which historically have carried out both automotive business and business for the remaining SKF business. During 2025 and 2026, the operations have been transferred from the shared legal entities to the separate legal entities.

The following section describes the comprehensive basis of preparation which has been applied in preparing these combined financial statements. Accounting principles for specific accounting areas and individual line items are described in the related notes.

Accounting principles

Basis of preparation

The combined financial statements have been prepared in accordance with IFRS® Accounting Standards as endorsed by the European Union (EU). The statements are also prepared in accordance with the Swedish recommendation RFR 1 "Supplementary Accounting Rules for Groups" and applicable statements issued by the Swedish Financial Reporting Board. These require certain additional disclosure requirements for Swedish consolidated financial statements prepared in accordance with IFRS® Accounting Standards.

IFRS® Accounting Standards does not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to *IFRS 10 (Consolidated Financial Statements)*.

The combined financial statements are intended to present SKF Vertevo's historical financial information. One important requirement for the preparation of these financial statements is that all entities are under common control via AB SKF ownership.

The formation of SKF Vertevo comprised transactions between entities under common control. Since these transactions nor the combined financial statements are covered by any IFRS® Accounting Standard, management should, according to *IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors)*, develop and apply an accounting policy that is, inter alia, relevant and reliable. A suitable and established method is to use the previous carrying amounts (predecessor basis of accounting), which management considers to be relevant and reliable, and to aggregate the units forming SKF Vertevo, which is the principle SKF Vertevo has applied. In short, this entails that the assets and liabilities of the units forming part of SKF Vertevo have been aggregated to and recognised based on the carrying amounts they represent in AB SKF's consolidated accounts as from the date they became part of the SKF Group.

As SKF Vertevo has not previously prepared consolidated nor combined financial statements, these financial statements are the first IFRS financial statements of SKF Vertevo in which *IFRS 1 (First-Time Adoption of International Financial Reporting Standards)* has been applied. IFRS 1 sets out the procedures that an entity must follow when it adopts IFRS® Accounting Standards for the first time with 1 January 2024, as date of transition to IFRS.

Accounting policy elections made by SKF Vertevo are materially identical with those made by the SKF Group. Further, SKF Vertevo presents the formation of the Group within Other Contributed capital. The amount represents the contributed equity from the SKF Group in respect of the entities included in the combined financial statements.

Considering that it was not only separate legal entities that were transferred as part of SKF Vertevo's formation, but also parts of legal entities, the following considerations were taken into account in the preparation of the combined financial statements to determine which assets, liabilities, revenues and expenses as well as cash flows that are included. The accounting principles set out below have been applied consistently to all periods presented and for all entities included in the financial statements.

Allocation of revenues and costs

The basis for allocating revenues and costs to SKF Vertevo has primarily been the SKF Group's internal operating reporting, which is based on statutory accounting adjusted for IFRS® Accounting Standards. Legal entities included in the financial statements have purchased services from other legal entities within the SKF Group.

In the statutory accounts certain expenses incurred by the SKF Group have been charged to its subsidiaries based on an internal cost allocation model whereby cost of goods sold and certain direct central services such as IT costs, have been charged to each operating unit. Such expenses have been recognised at the SKF Group's cost with an arm's length mark-up. The internal cost allocation model also includes management fees which represent SKF Vertevo's purchases of indirect central services from the SKF Group. The cost for central, direct and indirect, services are based on actual costs incurred by the SKF Group with a mark-up and is mainly presented under the headings Selling and administrative expenses and Cost of goods sold in the income statement.

Allocation of assets and liabilities
The basis for allocating assets and liabilities to SKF Vertevo has primarily been SKF Group's internal operating reporting of assets and liabilities used in the Automotive business. Some of those assets and liabilities have been shared with the remaining SKF business. When the automotive business during 2025 and 2026 has been transferred from shared legal entities to SKF Vertevo entities, the allocation of assets and liabilities in the combined financial statements has been replaced by the actual assets and liabilities transferred.

Pension obligations
For the participants that transferred to SKF Vertevo, pension obligations and related plan assets have been recognised in the combined financial statement based on the calculated obligations in accordance with *IAS 19 (Employee benefits)*.

Financial expenses and capital structure
Financial expenses charged to SKF Vertevo's entities are based on the actual borrowings and interest expenses owed to SKF Group's central treasury function for those entities that were separate legal entities in historical periods and now form part of SKF Vertevo. For legal entities that have been shared between SKF Vertevo and the SKF Group's remaining business, and which will continue to be part of the SKF Group, no financial items have been included in the historical financial statements due to limited feasibility to gather reliable information.

SKF Vertevo's historical capital structure, as presented in these financial statements, is not necessarily representative of the capital structure of a separate entity, as external borrowing has been managed centrally in accordance with the SKF Group's financial policy. Cash pool surplus is presented as "current financial assets, related party" in the SKF Group. See Note 27 Subsequent events for further information on future capital structure.

Income tax
In the combined financial statements, current income tax is recognised based on the taxable earnings generated by the legal entities as well as shared entities included in the financial statements. Deferred tax liabilities are recognised on taxable temporary differences and deferred tax assets are recognised on deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Tax items related to group contributions received and granted have been recognised as transactions with shareholders.

Earnings per share (EPS)
The calculation of earnings per share in these combined financial statements is based on SKF Vertevo's net profit for the year attributable to the shareholders of the Parent Company. Number of shares outstanding is calculated on the number of shares in SKF Vertevo that will be distributed to the shareholders of AB SKF in the Distribution. See Note 15 for more information.

Transactions with shareholders and related parties
Group contributions, dividends and other transactions without compensation between the SKF Group's remaining business and SKF Vertevo have been recognised as "Transactions with SKF Group" in equity in the combined financial statements. Inter-company transactions and balances with companies within the SKF Group's remaining business in the ordinary course of business have been disclosed as transactions and balances with related parties. See Note 20 for more information.

Translation of foreign financial statements and items denominated in foreign currency
SKF Vertevo AB's functional currency is the Swedish krona (SEK), which is also SKF Vertevo's reporting currency. All foreign subsidiaries report in their functional currency, the currency of the primary economic environment in which the subsidiary operates. Upon consolidation, all balance sheet items are translated to SEK based on the year-end exchange rates. Income statement items are translated at average exchange rates, with an exception to those mentioned below in hyperinflation reporting. The accumulated exchange differences arising from these translations are recognised via other comprehensive income to the translation reserve in equity. Such translation differences are reclassified into the income statement upon the disposal of the foreign operation.

Transactions in foreign currencies during the year have been translated at the exchange rate prevailing at the respective transaction date. Assets and liabilities denominated in a foreign currency, primarily receivables, payables and loans, have been translated at the exchange rates prevailing at the balance sheet date.

Exchange rate gains and losses related to trade receivables and payables, and other operating receivables and payables, are classified as other operating income or expense. The exchange rate gains and losses relating to other financial assets and liabilities are classified as financial income and expenses.

Exchange rates
The exchange rates in below table have been used when translating the financial statements of foreign subsidiaries operating in the countries into SEK.

			Average rates		Year-end rates	
Country	**Unit**	**Currency**	**2025**	**2024**	**2025**	**2024**
Argentina	1	ARS	0.01	0.01	0.01	0.01
China	1	CNY	1.37	1.47	1.31	1.51
EMU Countries	1	EUR	11.06	11.44	10.81	11.46
India	100	INR	11.31	12.63	10.23	12.87
Brazil	1	BRL	1.76	1.97	1.65	1.78
United Kingdom	1	GBP	12.95	13.53	12.41	13.83
USA	1	USD	9.85	10.57	9.19	11.01

Hyperinflation reporting
Argentina is classified as a hyperinflation economy since 2018 and Turkey since 2022. Since SKF Vertevo has operations in these countries, SKF Vertevo has applied IAS 29 *(Financial Reporting in Hyperinflationary Economies*) and restated the financial statements accordingly. The Argentinian index used in the restatement is the Argentinian Consumer Price Index published by the Argentinian Statistical Institute and amounted to 10,121.4 (7,690.0) as per 31 December 2025. The Turkish index used in the restatement is the Consumer Price Index published by the Turkish Statistical Institute and amounted to 3,513.9 (2,684.6) as per 31 December 2025.

Critical accounting estimates and judgements
Management believes that the following areas contain the most significant key judgements and the most significant sources of estimation uncertainty used in the preparation of the combined financial statements, where a different opinion or estimate could lead to significant changes to SKF Vertevo's financial statements in the upcoming year.

- Judgement on the realisability of deferred tax assets Note 7.
- Estimates and key assumptions used in impairment testing of intangible assets Note 8.
- Judgements used in determining extension options for right-of-use assets Note 10.
- Significant assumptions used in the calculation of post-employment benefit obligations Note 16.
- Judgements used in the recognition and disclosure of provisions and contingent liabilities Note 17.
- Climate risks are taken into consideration in investing decisions and impairment testing

Climate risk assessment
SKF Vertevo sees both risks and opportunities related to climate, but no known material climate-related risks affecting the financial statements of 2025 for SKF Vertevo have been identified. SKF Vertevo's core business is based on well-established technology and SKF Vertevo is diversified in terms of products, customers, geographic markets and industries. Based on this diversification, SKF Vertevo does not anticipate that climate-related business risks will have substantive financial or strategic impact on Group level. Some specific market sectors will be negatively affected, such as the demand for SKF Vertevo products for diesel and gasoline engines. However, other sectors will be positively affected, such as the market demand for SKF Vertevo products for electric motors. Overall, SKF Vertevo believes that climate-related business opportunities outweigh the risks.

The new standard IFRS 18 *Presentation and Disclosure in Financial Statements* was released in April 2024 and has an effective date 1 January 2027. An impact assessment is currently being performed as to how this new standard will impact the financial statements.

NOTE 2 REVENUE AND SEGMENT INFORMATION

Revenue
Revenue consists of sales of products or services to both end customers and distributors in the normal course of business. Service revenues are defined as business activities, billed to a customer, that do not include physical products or where the supply of any product is subsidiary to the fulfilment of the contract. Any products that are delivered as part of a service contract are reported as separate performance obligations and classified as revenue from products. Revenue is recognised when the control has been transferred to the customer, which for products occurs in accordance with the agreed shipping terms and contractual conditions. Sales are recorded net of allowances for volume rebates, sales returns and other variable considerations if it is highly probable that they will occur.

Revenues from products are recognised at a point in time. Revenues from service and/or maintenance contracts are either recognised at a point in time or over time. In contracts where the service is delivered to the customer over time, the revenue is accounted for over the duration of the contract with the use of either the input or output methods. These are different methods to measure progress towards complete satisfaction of a performance obligation. Revenue from all other service contracts is accounted for at a point in time. Revenue recognised over time is not deemed material. Any anticipated losses on contracts are recognised in full in the period in which losses become probable and estimable. For revenue presented per geographic area, see *segment information* below.

Segment information
The Chief Executive Officer (CEO), acting as the Chief Operating Decision Maker (CODM), reviews the performance and profitability of SKF Vertevo as a group. Accordingly, only one operating segment has been identified based on the CODM's review. Therefore, the financial information presented at group level represents the single reportable segment for disclosure purposes.

	Net sales by customer location[1]		Non-current assets[2]	
MSEK	**2025**	**2024**	**2025**	**2024**
EMEA	10,929	12,308	2,061	2,188
Of which Sweden	*2,032*	*2,143*	*114*	*622*
Americas	7,240	8,468	2,612	2,705
APAC, excl. India	4,513	4,825	1,904	2,561
India	2,147	2,426	7	14
Eliminations	–104	105	2,766	3,578
Total	**24,725**	**28,133**	**9,351**	**11,048**

1) Net sales are allocated according to the location of the respective customer. No individual country exceeds 16% of net sales.
2) Non-current assets exclude financial assets, deferred tax assets and post-employment benefit assets. Non-current assets are allocated according to the location of the subsidiaries.

Net sales by customer category

	Net sales by customer category	
MSEK	**2025**	**2024**
Passenger vehicles	11,035	12,572
Commercial vehicles	3,934	4,654
Two-/three-wheelers	1,080	1,237
Vehicle aftermarket	8,677	9,670
Total	**24,725**	**28,133**

NOTE 3 RESEARCH AND DEVELOPMENT

Research and development expenditure, excluding developing IT solutions, totalled MSEK 255 in 2025 (224 in 2024), corresponding to 1.0 per cent (0.8) of annual sales.

MSEK	2025	2024
Total R&D expenditures	255	224
Net sales	24,725	28,133
R&D as % of sales	1.0%	0.8%

NOTE 4 EXPENSES BY NATURE

MSEK	2025	2024
Employee benefit expenses including social charges	4,620	4,854
Raw material and components consumed including traded products	8,516	9,373
Change in work in progress and finished goods	–204	120
Depreciation, amortisation and impairments	674	562
Other expenses, primarily purchased services, shop supplies and utilities	11,270	11,646
Total Operating Expenses	**24,876**	**26,555**

Depreciation, amortisation and impairments are accounted for as (MSEK)	2025				2024			
	Depreciation	Amortisation	Impairments	Total	Depreciation	Amortisation	Impairments	Total
Cost of goods sold	561	0	29	**590**	534	–	–	**534**
Selling expenses	23	8	53	**84**	19	9	–	**28**
Total	**584**	**8**	**82**	**674**	**553**	**9**	**0**	**562**

NOTE 5 OTHER OPERATING INCOME AND EXPENSES

MSEK	2025	2024
Other operating income		
Exchange rate gains on trade receivables/payables	763	364
Profit from sale of property, plant and equipment	–	3
Other	64	8
Total	**827**	**374**

MSEK	2025	2024
Other operating expenses		
Exchange rate losses on trade receivables/payables	–730	–473
Loss from sale of property, plant and equipment	–4	–
External consultancy fees related to separation activities	–429	–128
Other	–170	–121
Total	**–1,333**	**–722**
Other operating income and expenses, net	**–506**	**–348**

NOTE 6 FINANCIAL INCOME AND FINANCIAL EXPENSES

MSEK	2025	2024
Interest income	57	98
Interest expenses	–317	–228
Net interest cost on post-employment benefits	–7	–1
Net exchange rate differences	–167	96
Other financial income	4	22
Other financial expenses[1)]	–25	–28
Financial net	**–455**	**–41**

1) Other financial expenses include costs related to bank charges and other transactional related costs.

The table below specifies which category of financial instrument that gave rise to the financial income and expenses as described above. For a specification of the underlying financial assets and financial liabilities to these categories, see Note 12 and Note 18.

	2025			2024		
Financial net specified by category of financial instruments (MSEK)	**Interest income**	**Interest expense**	**Net gains/ losses**	**Interest income**	**Interest expense**	**Net gains/ losses**
Financial assets classified as amortised cost	57	–	–18	98	–	58
Other financial liabilities, primarily loans	–	–317	–145	–	–228	60
Other liabilities including post-employment benefits	–	–	–32	–	–	–29
Total	**57**	**–317**	**–195**	**98**	**–228**	**89**

NOTE 7 TAXES

ACCOUNTING POLICY

Taxes include current taxes on profits, deferred taxes and other taxes such as taxes on capital, actual or potential withholding taxes on current and expected transfers of income from Group companies and tax adjustments relating to prior years. Income taxes are recognised in the income statement, except to the extent that they relate to items recognised in other comprehensive income or equity, in which case they are recognised in other comprehensive income or in equity. All the companies within SKF Vertevo calculate current income taxes in accordance with the tax rules and regulations of the countries where the income is taxable.

SKF Vertevo applies the required balance sheet approach for measuring deferred taxes, where deferred tax assets and liabilities are recorded based on enacted tax rates for the expected future tax consequences when the asset is realised or debt settled. These tax rates are applied on existing differences between accounting and tax reporting bases of assets and liabilities, as well as for tax loss and tax credit carry-forwards. Such tax losses and tax credit carry-forwards can be used to offset future income. Pillar II income taxes legislation was effective from 1 January 2024. Under the legislation, the Parent Company will be required to pay top-up tax on profit of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. No top-up tax has been included in the financial statements for the full year 2025. SKF Vertevo has analysed the financial figures and concluded that SKF Vertevo is not expecting any additional material top-up tax relating to 2025 and 2024.

Accounting estimates and judgements

Significant management judgment is required in determining current tax liabilities and assets as well as deferred tax liabilities and assets. The process involves estimating the current tax together with assessing temporary differences arising from differing treatment of items for tax and accounting purposes. The process also involves judgements when there is uncertainty over income tax treatments. In particular, management assesses the likelihood that deferred tax assets will be recoverable from future taxable income. Deferred tax assets are recorded to the extent that it is probable in management's opinion that sufficient future taxable income will be available to allow the recognition of such benefits. Realisability of net deferred tax assets are assessed by management based on the individual company's profitability history, forecasts of taxable profits as well as length to expiry of the asset. The assessment regarding the possibility of utilising deferred tax assets attributable to tax loss carry-forwards includes climate-related risks and its impact on future expected taxable profits.

As of 31 December 2025, SKF Vertevo had total unrecognised deferred tax assets of MSEK 79 (71), whereof MSEK 26 (32) related to tax loss carry-forwards and MSEK 53 (39) related to other deductible temporary differences. These were not recognised due to the uncertainty of future profit streams. Unrecognised deferred tax assets of MSEK 20 (23) are related to tax losses and will expire during the period 2026 to 2030. The remaining unrecognised deferred tax assets will expire after 2030 and/or may be carried forward indefinitely. The change in the balance of unrecognised deferred tax assets that reduced current tax expense was MSEK –1 (8) relating to the use of tax loss carry-forwards. The change in the balance on unrecognised deferred tax assets that impacted deferred tax expense was MSEK –16 (–7) which resulted from a revised judgement on the realisability of certain deferred tax assets in the future.

Gross value of tax loss carry-forwards

As of 31 December 2025, SKF Vertevo had tax loss carry-forwards amounting to MSEK 280 (336) recognised in the balance sheet, which are available for offset against taxable future profits. Such tax loss carry-forwards expire as follows:

2026–2030	262
2031 and thereafter	0
Never	18

	2025			2024		
Tax expense (MSEK)	**Income statement**	**Other comprehensive income**	**Total taxes**	**Income statement**	**Other comprehensive income**	**Total Taxes**
Current tax	–51	–	–51	–709	–	–709
Deferred tax	40	–18	22	492	–10	482
Total	**–11**	**–18**	**–29**	**–218**	**–10**	**–228**

Reconciliation of the statutory tax in Sweden to the actual tax (MSEK)	**2025**	**2024**
Tax calculated using statutory tax rate in Sweden	238	–412
Difference between statutory tax rate in Sweden and foreign subsidiaries	77	–164
Non-deductible/non-taxable differences	–341	343
Change in tax rates	0	0
Tax loss carry-forwards	15	–6
Current tax referring to previous years	4	20
Other	–3	1
Total tax expense in the income statement	**–11**	**–218**

In 2025, the corporate statutory income tax rate in Sweden was 20.6 per cent (20.6). The effective tax rate on profit before taxes was –1 per cent (18).

	2025		2024	
Gross deferred taxes per type (MSEK)	**Deferred tax assets**	**Deferred tax provisions**	**Deferred tax assets**	**Deferred tax provisions**
Intangibles and other assets	3	56	3	0
Other assets	49	0	217	0
Property, plant and equipment	162	131	16	46
Right-of-use assets	4	2	0	0
Inventories	96	32	24	0
Trade receivables	6	0	8	–1
Provisions for post-employment benefits	144	0	43	0
Other accruals and liabilities	54	62	47	0
Tax loss carry-forwards	45	–	54	–
Tax credit carry-forwards	–	–	3	–
Other	44	0	0	0
Gross deferred taxes	**607**	**283**	**415**	**45**
Net deferred taxes presented in the Combined balance sheet	419	96	391	22

NOTE 8 INTANGIBLE ASSETS

ACCOUNTING POLICY

Intangible assets are initially stated at cost less any accumulated amortisation and any impairment. Amortisation is made on a straight-line basis over the estimated useful lives and begins once the asset is ready for its intended use. The useful lives are based to a large extent on historical experience, the expected application, as well as other individual characteristics of the asset.

The useful lives are:

- Goodwill indefinite
- Trademarks indefinite
- Customer relationships 10–15 years
- Other intangibles 3–5 years

Amortisation and impairments are included in cost of goods sold and selling expenses depending on where the assets have been used.

INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES

Intangible assets with definite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The determination is usually performed at the cash generating unit (CGU) level but could also be at the individual asset level. Factors that are considered important are:

- Underperformance relative to historical and forecasted operating results
- Significant negative industry or economic trends
- Significant changes relative to the asset including plans to discontinue or restructure the operation to which the asset belongs.

When there is an indication that the carrying value may not be recoverable based on the above indicators, the profitability of the CGU to which the asset belongs is analysed to further confirm the nature and extent of the indication. If an indication is confirmed, an impairment loss is recognised to the extent that the carrying amount of the affected assets exceeds its recoverable amount.

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Goodwill and Trademarks with indefinite useful lives are tested for impairment annually and whenever an indication of impairment exists. Goodwill has been allocated to CGUs and the impairment test is carried out at the lowest level at which these assets are monitored by management. The lowest CGU level used for impairment test is the segment level.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant management judgement is required in determining if the carrying value of intangible assets with indefinite useful lives exceeds their recoverable amount and, consequently, whether an impairment loss should be recognised.

When there is an indication that the carrying value may not be recoverable, the carrying amount of the asset is compared against its recoverable amount. The recoverable amount is the greater of the estimated fair value less costs to sell and value in use. In assessing value in use, a discounted cash flow model (DCF) is used. This assessment contains a key source of estimation uncertainty because the estimates and assumptions used in the DCF model encompass uncertainty about future events and market conditions. The actual outcomes may be significantly different. However, estimates and assumptions are reviewed by management and are consistent with internal forecasts and business outlook.

The DCF model involves forecasting of future operating cash flows over a five-year period and includes estimates of revenues, production costs and working capital requirements, as well as a number of assumptions, the most significant being the revenue growth rates and the discount rate. These forecasts of future operating cash flows are built up from business strategic plans representing management's best estimates of future revenues and operating expenses using historical trends, general market conditions, industry trends and forecasts including climate related risks and other currently available information. Estimates are extrapolated using growth rates determined on an individual CGU basis, reflecting a combination of product, industry and country growth factors. A terminal value is then calculated based on the Gordon Growth model, which includes a terminal growth factor representing an outlook not exceeding the market growth for the industry.

Forecasts of future operating cash flows are adjusted to present value by an appropriate discount rate derived from SKF Vertevo's cost of capital, considering the long-term government bond rate, the corporate spread, the market risk premium, the country risk premium where applicable, and the systematic risk of the CGU at the date of evaluation. Management determines the discount rate to be used based on the risk inherent in the related activity's current business model and industry comparisons.

MSEK	2025 Closing Balance	Additions	Disposals	Impairments	Others[1]	Translation effects	2025 Opening Balance
Acquisition cost							
Goodwill	501	–	–	–	–79	–100	679
Trademarks	209	–	–	–	–	–42	251
Customer relationships	110	–	–	–	–	–22	132
Other intangible assets	1	–	–	–	–19	–1	22
Total	**821**	**–**	**–**	**–**	**–98**	**–165**	**1,084**

MSEK	2025 Closing Balance	Amortisation	Disposals	Impairments	Others[1]	Translation effects	2025 Opening Balance
Accumulated amortisation and impairments							
Goodwill	188	–	–	53	–52	–38	226
Trademarks	–	–	–	–	–	–	–
Customer relationships	108	8	–	–	10	–19	109
Other intangible assets	1	–	–	–	–13	1	13
Total	**298**	**8**	**–**	**53**	**–55**	**–55**	**348**
Net book value	**523**						**736**

1) Includes reclassifications between categories

MSEK	2024 Closing Balance	Additions	Disposals	Impairments	Others[1]	Translation effects	2024 Opening Balance
Acquisition cost							
Goodwill	679	–	–	–	–18	56	641
Trademarks	251	–	–	–	–	23	229
Customer relationships	132	–	–	–	–	12	120
Other intangible assets	22	1	–	–	8	1	10
Total	**1,084**	**1**	**–**	**–**	**–10**	**92**	**1,002**

MSEK	2024 Closing Balance	Amortisation	Disposals	Impairments	Others[1]	Translation effects	2024 Opening Balance
Accumulated amortisation and impairments							
Goodwill	226	–	–	–	–	21	205
Trademarks	–	–	–	–	–	–	1
Customer relationships	109	8	–	–	–	10	91
Other intangible assets	13	–	–	–	–	3	7
Total	**348**	**8**	**–**	**–**	**–**	**34**	**306**
Net book value	**736**						**695**

1) Includes reclassifications between categories

IMPAIRMENT LOSSES

Impairments amounted to MSEK –53 (0) in 2025.

INTANGIBLES WITH INDEFINITE USEFUL LIVES

Trademarks are considered to have indefinite useful lives as SKF Vertevo anticipates continuing to promote these brands in the foreseeable future. This includes the trademark and trade name for General Bearing Corporation (GBC) of MSEK 209 in 2025 (251).

The table shows Goodwill and Trademarks with indefinite useful lives, as well as some crucial rates that were used for the DCF calculation.

	2025	2024
Goodwill, MSEK	312	453
Trademarks, MSEK	209	251
Average revenue growth rate, %	1.6	3.9
Discount rate, pre-tax, %	9.7	11.1
Terminal growth factor, %	2.5	2.5

The recoverable amounts used in the testing have been calculated based on value in use using the DCF model as described in accounting estimates and judgements above. The most significant assumptions are the discount rate and the growth rates, being both the revenue growth rates and the terminal growth factor. Revenue growth rates are expressed in the above table as the average growth rate over the five-year forecast period. The same discount rate is applied to all cash flows in the five-year forecast period. Additional information on the forecast period as well as the discount rate and growth rates and how they are calculated is described in Accounting estimates and judgements above.

A number of sensitivity analyses were performed to evaluate if any reasonable possible adverse changes in assumptions would lead to impairment. The analyses focused around decreasing the revenue growth rates to zero, increasing the discount rate by two percentage points and decreasing the operating margin by two percentage points. Each taken individually and while holding all other assumptions constant. No impairment needs were indicated.

NOTE 9 PROPERTY, PLANT AND EQUIPMENT (PPE)

ACCOUNTING POLICY

Machinery and supply systems, land, buildings, tools, office equipment and vehicles are stated in the balance sheet at cost, less accumulated depreciation and any impairment loss. A component approach to depreciation is applied. This means that where items of property, plant and equipment are comprised of different components having a significant cost in relation to the total cost of the items with a different useful life, such components are depreciated separately. Depreciation is provided on a straight-line basis and is calculated based on cost. The rates of depreciation are based on the estimated useful lives of the assets, which are subject to annual review.

The useful lives are:

- Buildings and land improvements 33 years
- Machinery and supply systems 10–20 years (10 years for control systems within machinery and supply systems)
- Machine tooling and factory fittings 4–5 years

Depreciation and impairments are included in cost of goods sold and selling expenses depending on where the assets have been used.

ACCOUNTING ESTIMATES AND JUDGMENTS

The useful lives are based upon estimates of the periods during which the assets will generate revenue and are based to a large extent on historical experience of usage and technological development.

PPE is tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

MSEK	2025 Closing Balance	Additions	Disposals	Impairments	Others[1]	Translation effects	2025 Opening Balance
Acquisition cost							
Buildings	2,451	31	–	–	–5	–278	2,703
Land and land improvements	80	1	–	–	1	–7	85
Machinery and supply systems	11,364	357	–302	–	–780	–895	12,984
Machine toolings and factory fittings	1,588	62	–13	–	–57	–95	1,691
Assets under construction including advances	1,228	625	–34	–	–581	–200	1,418
Total	**16,710**	**1,076**	**–349**	**–**	**–1,422**	**–1,475**	**18,880**

MSEK	2025 Closing Balance	Depreciation	Disposals	Impairments	Others[1]	Translation effects	2025 Opening Balance
Accumulated depreciation and impairments							
Buildings	1,173	59	–	1	–8	–109	1,230
Land improvements	49	–	–	–	2	–3	50
Machinery and supply systems	6,118	398	–128	22	–244	–558	6,628
Machine toolings and factory fittings	1,275	84	–5	6	–113	–73	1,376
Total	**8,615**	**541**	**–133**	**29**	**–363**	**–743**	**9,284**
Net book value	**8,095**						**9,596**

1) Other includes a decrease in property, plant and equipment due to the former shared assets in the combined balance sheet have been replaced with the actual assets transferred to the SKF Vertevo's entities. Refer to Note 1 for accounting policy on allocation of assets and liabilities.

MSEK	2024 Closing Balance	Additions	Disposals	Impairments	Others[1]	Translation effects	2024 Opening Balance
Acquisition cost							
Buildings	2,703	37	–	–	39	100	2,527
Land and land improvements	85	–	–	–	1	3	81
Machinery and supply systems	12,984	685	–477	–	457	302	12,016
Machine tooling and factory fittings	1,691	121	–144	–	57	55	1,602
Assets under construction including advances	1,418	254	–	–	–453	139	1,476
Total	**18,880**	**1,097**	**–621**	**–**	**101**	**599**	**17,702**

MSEK	2024 Closing Balance	Depreciation	Disposals	Impairments	Others[1]	Translation effects	2024 Opening Balance
Accumulated depreciation and impairments							
Buildings	1,230	60	–	–	4	41	1,125
Land improvements	50	–	–	–	2	1	47
Machinery and supply systems	6,628	383	–397	–	–51	201	6,492
Machine toolings and factory fittings	1,376	59	–135	–	95	39	1,318
Total	**9,284**	**502**	**–532**	**–**	**50**	**282**	**8,982**
Net book value	**9,596**						**8,720**

1) Other includes a decrease in property, plant and equipment due to the former shared assets in the combined balance sheet have been replaced with the actual assets transferred to the SKF Vertevo's entities. Refer to Note 1 for accounting policy on allocation of assets and liabilities.

NOTE 10 RIGHT-OF-USE ASSETS

ACCOUNTING POLICY

All lease contracts are recognised in the balance sheet, at commencement date, as a right-of-use asset and a lease liability. A contract is or contains a lease if it conveys, to SKF Vertevo, the right to control the use of an identified asset for a period of time in exchange for consideration. A right-of-use asset and a lease liability is recognised for all leases with a term of more than 12 months unless the underlying asset is of low value. The right-of-use asset is subsequently accounted for with the same regulations as property, plant and equipment. The lease liability is discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used. For 2025 and 2024 the incremental borrowing rate is established by SKF Treasury Centre based on currency and maturity of lease contracts. The lease term is determined as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. SKF Vertevo also applies the practical expedient for fixed non-lease components and includes them together with any lease component in the contract. Any future lease modification not registered as a separate contract, is recognised as a remeasurement of the lease liability and an adjustment to the right-of-use asset. For more information on lease liabilities, see Note 18.

ACCOUNTING ESTIMATES AND JUDGMENTS

Management judgement and assumptions are required to determine the value of the right-of-use assets and the present value of the lease liability. Such judgement and assumptions involve identifying a lease, defining the lease term and defining the discount rate.

Lease expenses for short-term leases, low-value assets and variable lease payments amounted to MSEK 45 (38). The lease expenses correspond in all material aspects to the cash flow for those leases.

During 2025, total cash outflow related to leases amounted to MSEK 143 (212, of which interest expenses related to leases amounted to MSEK 12 (22).

MSEK	2025	2024
Short-term lease expenses	42	36
Low-value asset lease expenses	3	2
Variable lease payments not included in lease liability	–	–
Other	–	–
Total	**45**	**38**

MSEK	2025 Closing Balance	Additions	Modifications	Impairments	Reclassification	Translation effects	2025 Opening Balance
Acquisition cost							
Premises	397	101	–20	–	41	–59	334
Vehicles	119	21	–27	–	9	–12	128
Forklifts	57	–	4	–	–7	–4	64
Other[1)]	360	13	–	–	–137	–21	505
Total	**933**	**135**	**–43**	**0**	**–94**	**–96**	**1,031**

MSEK	2025 Closing Balance	Depreciation	Modifications	Impairments	Reclassification	Translation effects	2025 Opening Balance
Accumulated depreciation and impairments							
Premises	166	19	–26	–	70	–48	151
Vehicles	67	17	–13	–	–18	–11	93
Forklifts	48	3	2	–	–4	–4	51
Other[1)]	40	4	–	–	–4	–5	45
Total	**322**	**43**	**–37**	**–**	**44**	**–68**	**339**
Net book value	**612**						**693**

1) Other includes primarily machinery, office equipment and land.

MSEK	2024 Closing Balance	Additions	Modifications	Impairments	Reclassification	Translation effects	2024 Opening Balance
Acquisition cost							
Premises	334	184	–1	–	–6	8	148
Vehicles	128	35	6	–	5	–	82
Forklifts	64	4	–1	–	–3	1	64
Other[1)]	505	–	–	–	130	10	360
Total	**1,031**	**223**	**4**	**0**	**126**	**19**	**659**

MSEK	2024 Closing Balance	Depreciation	Modifications	Impairments	Reclassification	Translation effects	2024 Opening Balance
Accumulated depreciation and impairments							
Premises	151	21	2	–	6	–	122
Vehicles	93	17	4	–	5	0	67
Forklifts	51	9	2	–	–3	–	42
Other[1)]	40	4	–	–	1	1	37
Total	**338**	**51**	**8**	**0**	**9**	**1**	**268**
Net book value	**693**						**391**

1) Other includes primarily machinery, office equipment and land.

NOTE 11 INVENTORIES

ACCOUNTING POLICY

Inventories are stated at the lower of cost (first-in, first-out basis) or market value (net realisable value). Initially raw materials and purchased finished goods are valued at actual purchase costs, and work in process and manufactured finished goods are valued at actual production costs. Production costs include direct costs such as material and labour, as well as manufacturing overhead as appropriate.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Adjustments to the cost of inventory may be necessary when the cost exceeds net realisable value. Net realisable value is defined as selling price less costs to complete and costs to sell. The estimates used in determining net realisable value are a source of estimation uncertainty. As future selling prices and selling costs are not known at the time of assessment, management's best estimates are used based on current price and cost levels. Adjustments to net realisable value also include estimates of technical and commercial obsolescence on an individual subsidiary basis. Commercial obsolescence is assessed by the rate of turnover and ageing as risk indicators.

MSEK	2025	2024
Finished goods	4,714	5,323
Raw material and supplies	2,710	3,422
Work in process	70	64
Total	**7,494**	**8,809**

Inventory values are stated net of a provision for net realisable value of MSEK 359 (414). The amount charged to expense for net realisable provisions during the year was MSEK 0 (19). Reversals of net realisable provisions during the year were MSEK 14 (1).

NOTE 12 FINANCIAL ASSETS

ACCOUNTING POLICY

Financial assets are classified in three categories and are based on SKF Vertevo's business model for managing the asset and the asset's contractual cash flow characteristics. The assets are categorised based on being measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

Financial assets are recognised in the balance sheet when SKF Vertevo becomes a party to the contractual provisions of a financial instrument. Financial assets are initially measured at fair value, which is normally equal to cost. Settlement day recognition is applied for purchases and sales of financial assets.

Financial assets measured at amortised cost is calculated using the effective interest method. For disclosure purposes, fair values have been calculated using valuation techniques, mainly discounted cash flow analysis based on observable market data. For current receivables, such as trade receivables, the carrying amount is considered to correspond to fair value.

Equity securities are measured at fair value. SKF Vertevo has elected to classify Equity securities at FVOCI since these investments are held as long-term strategic investments. There is no reclassification of fair value gain or loss when the investments are derecognised and the dividends from those investments are recognised in profit or loss when SKF Vertevo have the right to receive the payments.

Financial assets and allowance for doubtful accounts are recognised with the use of a forward-looking "expected loss" impairment model which indicates when the asset may not be recovered. The forward-looking information should capture changes in the market that the customers operate in.

Financial assets are derecognised when the contractual rights to the cash flow have expired or been transferred together with substantially all risks and rewards.

ACCOUNTING ESTIMATES AND JUDGEMENTS

An allowance for doubtful accounts for expected losses on trade receivables is maintained. When evaluating the need for an allowance, management considers the aging of trade receivable balances, and historical write-off experience of customers with similar characteristics. Management also makes an estimation of expected credit losses based on market conditions.

Financial assets categorised as amortised cost are assets held to collect contractual cash flows. These include trade receivables, loans granted, funds held with banks and deposits comprising principally of funds held with landlords and other service providers, for which substantially all initial investment is expected to be recovered.

Strategic investments in equity securities are categorised as FVOCI.

Financial assets per category 2025

MSEK	Amortised cost	Fair value through OCI	Total	*Of which current*
Trade receivables	4,050	–	4,050	4,050
Cash and cash equivalents	1,332	–	1,332	1,332
Equity securities	–	9	9	–
Other loans and receivables	283	–	283	283
Carrying amount	**5,665**	**9**	**5,674**	**5,645**
Fair value	**5,665**	**9**		

Financial assets per category 2024

MSEK	Amortised cost	Fair value through OCI	Total	*Of which current*
Trade receivables	4,468	–	4,468	4,468
Cash and cash equivalents	1,173	–	1,173	1,173
Equity securities	–	–	–	–
Other loans and receivables	321	–	321	94
Carrying amount	**5,962**	**–**	**5,962**	**5,735**
Fair value	**5,962**	**–**		

Financial assets recorded at fair value are disclosed below according to the hierarchy that shows the significance of the inputs used in the fair value measurements. Level 1 includes financial instruments with a quoted price in an active market. Level 2 bases fair value on models that utilise observable data for the asset or liability other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Such observable data may be market interest rates and yield curves. Level 3 bases fair value on a valuation model, whereby significant input is based on unobservable market data.

Fair value hierarchy for financial assets at fair value (MSEK)	Level 1	2025	Level 1	2024
Fair value through other comprehensive income				
Equity securities	9	9	–	–
Total	**9**	**9**	**–**	**–**

Cash and cash equivalents includes cash free and cash on time deposits at banks. maturing within three months at the time of the investment. Cash and cash equivalents are measured at amortised cost.

Cash and cash equivalents (MSEK)	2025	2024
Cash	1,003	298
Cash equivalents	329	875
Total	**1,332**	**1,173**

Trade receivables included receivables sold with recourse and amounted to MSEK 21 (49). The risk of customer default for these receivables has not been transferred in such a way that the financial assets qualify for derecognition.

			Past due, net of allowance			
Trade receivables by due date (MSEK)	**Carrying amount**	**Not yet due**	***1–30 days***	***31–60 days***	***61–90 days***	***<91 days***
2025	4,050	3,524	347	114	41	25
2024	4,468	3,889	411	100	40	28

The table shows the development of the reserve for credit losses on trade receivables.

Specification of reserve for credit losses (MSEK)	2025	2024
Opening balance 1 January	92	79
Additions	54	44
Reversals	–38	–34
Changes through the income statement	**17**	**10**
Allowance used to cover write-offs	–7	–2
Acquired/Divested companies	1	–
Currency translation adjustments	–6	5
Closing balance 31 December	**97**	**92**

NOTE 13 OTHER CURRENT ASSETS

MSEK	2025	2024
Value added tax receivables, net	814	585
Income tax receivables	201	267
Prepaid expenses	271	84
Accrued income	34	55
Advances to suppliers	39	169
Other current receivables	257	58
Total	**1,617**	**1,218**

NOTE 14 EQUITY

SHARE CAPITAL
On 31 December 2025, SKF Vertevo's share capital amounted to SEK 25,000 distributed among 25,000 shares.

Other contributed capital
The amount represents the contributed equity from SKF Group in respect of the entities included in the combined financial statements.

Reserves
Consolidated equity includes certain reserves which are described below:

Translation reserves
All exchanges rate differences arising from the translation of the financial statements of foreign operations into SKF Vertevo's presentation currency are included in the translation reserve.

Retained earnings
Retained earning represent the cumulative net results of the combined reporting entity.

Non-controlling interest
Total non-controlling interests amounted to MSEK 738 as of 31 December 2025 (MSEK 1,010). The non-controlling interest in the subsidiary SKF India Ltd amounted to 631 MSEK, corresponding to 47.4 per cent of the total number of shares in SKF India Ltd, and the non-controlling interest in the subsidiary PT SKF Indonesia amounted to 107 MSEK, corresponding to 40 per cent of the total number of shares in PT SKF Indonesia. Please refer to Note 25 for further disclosures.

Transactions with SKF Group
Transactions with SKF Group include transactions without compensation between AB SKF and SKF Vertevo as below:

MSEK	2025	2024
Capital contribution	–	0
Dividends	–689	–813
Transfer of assets and liabilities without considerations [1]	–837	–1,279
Total	**–1,526**	**–2,093**

1) Transfer of assets and liabilities without consideration consists of economic activities that have been carved out from companies under common control

NOTE 15 EARNINGS PER SHARE

Earnings per share, SEK	2025	2024
Earnings per share before and after dilution	–13.26	9.85
The calculation of the numerators and denominators used in the above calculations of earnings per share are presented below.		
Net profit attributable to owners of the Parent Company (MSEK)	–1,208	897
Total number of ordinary shares, in thousands	91,070	91,070
Weighted average number of shares outstanding during the year, basic and diluted	91,070	91,070

The calculation of earnings per share in these combined financial statements is based on SKF Vertevo's net profit for the year attributable to the Parent company's shareholders, divided by the number of shares outstanding. Number of shares outstanding is calculated on the numbers of shares in SKF Vertevo that will be distributed in the Distribution.

The number of shares in SKF Vertevo that will be distributed in the Distribution is based on the number of shares held by AB SKF as of 10 November 2026. Such number of shares was 91,070,213 and has been applied for all periods presented.

NOTE 16 PROVISIONS FOR POST-EMPLOYMENT BENEFITS

ACCOUNTING POLICY

The post-employment obligation and plan assets arise from defined benefit plans which are either unfunded or funded. For the unfunded plans, benefits paid out under these plans come from the all-purpose assets of the company sponsoring the plan. The related provisions carried in the balance sheet represent the present value of the defined benefit obligation. For funded defined benefit plans, the assets of the plans are held in trusts legally separated from SKF Vertevo. The net obligation or asset represents the deficit or excess of the fair value of plan assets over the present value of the defined benefit obligation.

The projected unit credit method is used to determine the present value of all defined benefit obligations and the related current service cost. Valuations are carried out quarterly for the most significant plans and annually for other plans. External actuarial experts are engaged for these valuations and estimating the obligations and costs involves the use of assumptions. Remeasurements arise from changes in actuarial assumptions and experience adjustments, being differences between actuarial assumptions and what has actually occurred. They are recognised immediately in other comprehensive income and are never reclassified to the income statement. For all defined benefit plans the cost charged to the income statement consists of current service cost, net interest cost and when applicable past service cost, curtailments and settlements. Any past service cost is recognised immediately. Net interest cost is classified as financial expense while all other expenses are allocated to the operations based on the employee's function as manufacturing, selling or administrative.

SKF Vertevo also manages defined contribution schemes, where SKF Vertevo has no obligation to pay benefits after payment of an agreed-upon contribution to the third party responsible for the plan. Such contributions are recognised as expense when incurred.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant judgements and assumptions are required when applying the projected unit credit method to determine the present value of all defined benefit obligations and the related costs. Such assumptions vary according to the economic conditions of the country in which the plan is located and are adjusted to reflect market conditions at valuation point. The most significant assumptions can vary per plan but in general they include discount rate, pension increase rate, salary growth rate and longevity. These assumptions are established for each plan separately. The discount rate for each plan is determined by reference to yields on high-quality corporate bonds (AA- rated corporate bonds as well as mortgage bonds for the plans in Sweden) having maturities matching the duration of the obligation. The pension increase rate assumption is relevant mainly for retired plan members and refers to the indexation of pension payments tied primarily to inflation. The salary growth rate is relevant for active plan members and reflects the long-term actual experience, the near-term outlook and assumed inflation. Longevity reflects the life expectancy of plan members and is established based on mortality tables used for each plan.

The most significant plans are the pension plans in Germany, where the majority of entitlement conditions are determined in accordance with a governmental pensions act. Germany accounts for the majority of SKF Vertevo's total defined benefit pension obligation, with Other presented countries consisting mainly of India, France, Belgium, Italy, Mexico and Indonesia.

Amounts recognised in the combined balance sheet (MSEK)	2025		
	Germany	Other	Total
Present value of unfunded defined benefit obligation	–	16	16
Present value of funded defined benefit obligation	443	331	774
Less: Fair value of plan assets	–306	–222	–528
Total deficit	**138**	**125**	**263**
Net post-employment benefit liabilities	**138**	**125**	**263**

Amounts recognised in the combined balance sheet (MSEK)	2024		
	Germany	Other	Total
Present value of unfunded defined benefit obligation	–	20	20
Present value of funded defined benefit obligation	529	346	875
Less: Fair value of plan assets	–329	–277	–556
Total deficit	**200**	**139**	**340**
Net post-employment benefit liabilities	**200**	**139**	**340**

	2025			2024		
	Present value of obligation	Fair value of plan assets	**Total**	Present value of obligation	Fair value of plan assets	**Total**
Opening balance 1 January	896	–556	**340**	811	–470	**340**
Interest expense/(income)	30	–20	**11**	36	–20	**16**
Current service cost	24	–	**24**	22	–	**22**
Past service cost and gains and losses on settlements	1	–	**1**	–	–	**–**
Settlements	–	–	**–**	–1	–	**–1**
Other	–	–	**–**	0	–	**0**
Subtotal expenses	*55*	*–20*	***36***	*57*	*–20*	**37**
Difference between actual return and interest income	–	4	**4**	–	–23	**–23**
Actuarial (gains)/loss from change in demographic assumptions	–	–	**–**	1	–	**1**
Actuarial (gains)/loss from change in financial assumptions	–65	–	**–65**	–16	–	**–16**
Experience adjustments	–1	–	**–1**	0	–	**0**
Subtotal remeasurements in OCI	*–67*	*4*	***–63***	*–15*	*–23*	***–38***
Employer contributions	–9	–16	**–25**	–14	–14	**–28**
Employee contributions	0	–	**0**	–	–	**–**
Benefit payments	–15	13	**–2**	–16	13	**–3**
Settlement payments	–	–	**–**	–	–	**–**
Subtotal cash flow[1]	*–24*	*–4*	***–27***	*–30*	*–1*	***–31***
Other	–1	–	–1	10	–	**10**
Translation differences	–69	47	–22	63	–42	**21**
Closing balance 31 December	**791**	**–528**	**263**	**896**	**–556**	**340**

1) Cash outflows for 2026 are expected to be some MSEK 60 which include contributions to funded plans as well as payments made directly by the companies under unfunded plans and partially funded plans.

Components of total post-employment benefit expense (MSEK)	2025	2024
Post-employment defined benefit expense	36	37
Post-employment defined contribution expense	–	–
Total post-employment benefit expense	**36**	**37**
Whereof		
Amounts charged to operating profit:	25	21
Amounts charged to financial expense	11	16
	36	**37**

Plan asset compensation	2025			2024		
	Quoted	**Unquoted**	**Total**	**Quoted**	**Unquoted**	**Total**
Corporate bonds	306	–	306	329	–	329
Equity instruments	16	–	16	15	–	15
Other not cash	44	163	206	41	171	212
Total	**365**	**163**	**528**	**384**	**171**	**555**

To enable consistent, proactive and effective management of the post-employment benefits in line with our business strategy and values, SKF Vertevo has, for the financial years 2024 and 2025, applied to the SKF Group's Global Pension Committee. This committee is a governance body who is responsible for aligning post-employment benefits to SKF Global Pension Policy.

The sensitivity analysis is based on the change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity analysis of the defined benefit obligations (DBO) to changes in assumptions the same method has been applied as when calculating the pension liability recognised within the obligation.

Sensitivity analysis		Impact on DBO 2025	Impact on DBO 2024
	Change in actuarial assumption	Defined benefit obligations	Defined benefit obligations
Discount rate	+1%	–101	–117
	–1%	128	149
Salary growth	+0.5%	20	23
	–0.5%	–19	–22
Pension increase rate	+0.5%	32	38
	–0.5%	–29	–34
Mortality / Life expectancy	+1 year	11	13
	–1 year	–11	–14

Significant weighted-average assumptions at end of year	2025		2024	
	Germany Pension	All plans	Germany Pension	All plans
Discount rate	4.2	4.5	3.5	4.0
Pension increase rate[1)]	1.9	1.9	1.9	1.9
Salary growth rate	2.2	3.0	2.2	2.9
Longevity	N/A	N/A	N/A	N/A
Weighted average duration of the plan (years)[2)]	20.9	15.3	20.8	15.6

1) Pension increase rate refers to indexation primarily tied to inflation.
2) Represents the average number of years remaining until the obligation is paid out.
N/A = assumptions not applicable or not significant for the plan

NOTE 17 OTHER PROVISIONS AND CONTINGENT LIABILITIES

ACCOUNTING POLICY

In general, a provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as provisions is management's best estimate of the future cash flows necessary to settle the obligations at the balance sheet date, and the timing of settlement is uncertain.

Claims include both provisions for litigation and warranties.

Other long-term employee benefits refer to benefits earned and are expected to be settled before employment ends. These provisions are calculated using the projected unit credit method and remeasurements (actuarial gains and losses) are recognised immediately in the income statement.

Restructuring programmes are defined as activities that materially change the way a unit does business. Any related restructuring provisions are recognised when a detailed formal plan has been established and a public announcement of the plan has occurred thereby creating a valid expectation that the plan will be carried out.

When an obligation does not meet the criteria for recognition it may be considered a contingent liability and disclosed. Contingent liabilities represent possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of SKF Vertevo. They also include existing obligations where it is not probable that an outflow of resources is required, or the outflow cannot be reliably quantified.

ACCOUNTING ESTIMATES AND JUDGEMENTS

In the normal course of business, SKF Vertevo is involved in legal proceedings. These proceedings may relate to a number of topics, including but not limited to warranty claims, commercial disputes, intellectual property claims, tax or labour disputes and regulatory inquiries and investigations. SKF Vertevo reviews outstanding legal cases regularly in order to assess the need for provisions and contingent liabilities in the financial statements. As these various matters are often of a difficult and legally complex nature, significant management judgement is required in determining the existence and amount of provisions. As the estimates may involve uncertainty about future events outside the control of SKF Vertevo, the actual outcomes may be significantly different, which may affect the financial statements.

Provisions for litigation are based on the nature of the litigation, the legal process in the applicable jurisdiction, the progress of the cases, the opinions of internal and external legal counsel and advisers regarding the outcome of the case and experience with similar cases. Tax claims in different countries and in different stages of the claim that do not meet the definition of tax liability are recognised as contingent liabilities.

SKF Vertevo is part of investigations regarding possible violations of anti-trust rules, class action claims and lawsuits. SKF Vertevo is subject to an investigation in Brazil by the General Superintendence of the Administrative Council for Economic Defense, regarding an alleged violation of antitrust rules by several companies active on the automotive aftermarket in Brazil. As per management's judgement, these investigations did not qualify for recognition as other provisions or contingent liabilities. SKF Vertevo is also involved in a number of legal proceedings other than those described above. SKF Vertevo's assessment is that such other legal proceedings in aggregate are not likely to entail any risk of having a material effect on SKF Vertevo's financial position.

Warranty provisions involve estimates of the outcome of claims resulting from defective products, which include estimates for potential liability for damages caused by such defects to SKF Vertevo's customers. Assumptions are required for anticipated returns and costs replacing defective products and/or compensating customers for damage caused by SKF Vertevo's products. These assumptions consider historical claims statistics, expected costs to remedy and the average time lag between faults occurring and claims against SKF Vertevo.

Restructuring provisions involve estimates of the timing and costs of the planned future activities where the most significant estimates relate to the costs necessary to settle employee severance/separation obligations, as well as the costs involved in contract cancellations and other exit costs. These estimates are based on historical experience as well as the current status of negotiations with the affected parties and/or their representatives.

Claims increased during 2025 with MSEK 13, related to warranty claims.

In 2025, the total restructuring costs amounted to MSEK 1,478 (302), whereof MSEK 458 (83) refers to provisions, and includes consolidation of factories as well as a general reduction in headcount driven by new ways of working and simplified organisational structures. This cost includes voluntary and involuntary termination benefits spread over several countries. The majority of the remaining restructuring provisions are expected to be settled in 2026.

MSEK	2025 Closing balance	Provisions for the year	Utilised amounts	Reversal unutilised amounts	Other	Translation effect	2025 Opening balance
Claims	34	119	–3	–83	–17	–3	21
Non–current employee benefits	252	5	0	0	101	–17	163
Restructuring	458	327	–74	0	140	–18	83
Other	72	–2	0	0	65	–26	35
Total	**816**	**449**	**–77**	**–83**	**289**	**–64**	**302**

MSEK	of which current
Claims	23
Non-current employee benefits	178
Restructuring	357
Other	27
Total	**585**

MSEK	2024 Closing balance	Provisions for the year	Utilised amounts	Reversal unutilised amounts	Other	Translation effect	2024 Opening balance
Claims	21	44	–1	–36	0	–1	15
Non-current employee benefits	163	41	–24	0	–51	–	197
Restructuring	83	79	–144	0	44	1	103
Other	35	0	–3	–9	0	2	45
Total	**302**	**164**	**–172**	**–45**	**–7**	**2**	**360**

MSEK	of which current
Claims	14
Non-current employee benefits	77
Restructuring	59
Other	31
Total	**181**

Contingent liabilities at nominal values (MSEK)	2025	2024
Guarantees	–	32
Tax disputes and claims	1,396	1,500
Total	**1,396**	**1,532**

SKF Vertevo is regularly subject to local tax audits initiated by local tax authorities and is exposed to the risk that tax authorities or other supervisory authorities may interpret tax legislation differently than SKF Vertevo. SKF Vertevo is currently engaged in several disputes with local tax authorities regarding the interpretation of local tax legislation. Since the outcome of those disputes, tax audits or uncertain positions are not within SKF Vertevo's control SKF Vertevo has considered contingent liabilities at group level as presented above.

SKF Vertevo and SKF Group have entered into a Master Separation Agreement governing the separation principles and allocation of liabilities between the parties. The transferred businesses are accepted on an "as is" basis, and each party remains responsible for liabilities and losses relating to its own business, whether arising before or after the Distribution, while indemnifying the other party accordingly. Certain exceptions apply, including with respect to the allocation of tax liabilities, environmental liabilities at manufacturing sites, and certain customer claims liabilities. The agreement becomes effective in connection with the Distribution and remains in force indefinitely without any right of termination.

To the extent that any contingent liability results in an actual claim relating to SKF Group, SKF Vertevo may be entitled to reimbursement from SKF Group under the relevant indemnification arrangements. Any potential reimbursement is contingent upon the occurrence of future events and, as of the signing date, the amount of such reimbursement cannot be measured reliably.

NOTE 18 FINANCIAL LIABILITIES

ACCOUNTING POLICY
Financial liabilities are recognised in the balance sheet when SKF Vertevo becomes a party to the contractual provisions of a financial instrument. Financial liabilities are initially recorded at fair value, which is normally equal to acquisition cost. Transaction costs are included in the initial measurement of financial liabilities that are not subsequently measured at fair value through the income statement. Derivatives are recognised at trade date.

Financial liabilities, excluding derivatives, are classified as Other financial liabilities measured at amortised cost. Amortised cost is measured using the effective interest rate method. Financial liabilities are derecognised when they are settled.

ACCOUNTING ESTIMATE AND JUDGEMENTS
For disclosure purposes, fair value of financial liabilities has been calculated using valuation techniques, mainly discounted cash flow analyses based on observable market data.

SUPPLY CHAIN FINANCING (SCF) ARRANGEMENTS
As of 31 December 2025, trade payables under SCF amounted to MSEK 687 (846). There were no material business combinations or foreign exchange differences or other non-cash transfers relating to the carrying amount of liabilities subject to SCF.

		2025		2024	
MSEK	Maturity	Carrying amount	Fair value	Carrying amount	Fair value
Non-current financial liabilities					
Non-current lease liabilities	2027 and thereafter	249	249	218	218
Other non-current loans	2027 and thereafter	83	83	289	289
Subtotal non-current financial liabilities		**332**	**332**	**508**	**508**
Current financial liabilities					
Trade payables	2026	4,904	4 904	5 638	5 638
of which trade payables under supply chain financing arrangement		687	687	846	846
Current lease liabilities	2026	118	118	76	76
Current loans	2026	4,562	4,562	3,462	3,462
Subtotal current financial liabilities		**9,584**	**9,584**	**9,176**	**9,176**
Total		**9,917**	**9,917**	**9,684**	**9,684**

NOTE 19 OTHER CURRENT LIABILITIES

MSEK	2025	2024
Employee related accruals	337	307
Accrual for rebates	619	593
Income tax payable	239	42
Deferred income	167	181
Customer advances	66	10
Value added taxes payable, net	105	169
Other current liabilities	521	403
Other accrued expenses	837	902
Total	**2,892**	**2,607**

NOTE 20 RELATED PARTIES INCLUDING ASSOCIATED COMPANIES

SKF Vertevo's shareholder is the SKF Group. Between SKF Vertevo and SKF Group there are outstanding trade receivables and trade payables, intercompany accounts and other current liabilities. Trade receivables and trade payables have ongoing payment terms. Transactions between companies within the SKF Group and SKF Vertevo are presented in the table below. When supplying products and services between group companies, business-like terms and market-based pricing are applied.

MSEK	2025	2024
Sales of goods and services to SKF Group	1,130	1,458
Purchases of goods and services from SKF Group	4,913	5,854
Receivables as of 31 December	1,242	1,534
Liabilities as of 31 December	6,523	6,033

Transactions relating to the transfer of receivables and liabilities, as part of the formation of SKF Vertevo, between the SKF Group and SKF Vertevo have been classified as transactions with shareholders. Shareholder transactions executed through equity are presented in the combined statement of changes in equity. SKF Vertevo has also purchased services from the SKF Group, such as IT and administrative services.

Other related party transactions include compensation to key management personnel as described in Note 21. No other material related party transactions have occurred.

NOTE 21 REMUNERATION TO KEY MANAGEMENT

SALARIES AND OTHER REMUNERATIONS FOR THE PRESIDENT AND CEO AND EXECUTIVE MANAGEMENT TEAM

Executive Management Team and principles of remuneration for Executive Management Team

SKF Vertevo's Executive Management Team is defined as the President and CEO and the other members of the Executive Management Team. Presented as Executive Management Team for SKF Vertevo in these financial statements are the individuals that had a position deemed equivalent to executive team member position for SKF Vertevo during 2024 and 2025.

SKF Vertevo's current guidelines for remuneration to senior executives were adopted by an Extraordinary General Meeting held on 17 July 2026, and set out the principles for remuneration of SKF Vertevo's Executive Management Team. The total remuneration for the SKF Vertevo's Executive Management Team shall comprise fixed salary, variable salary, pension benefits, and other benefits. The components create a well-balanced remuneration reflecting individual performance and responsibility as well as the SKF Vertevo's overall performance.

For the financial years 2024 and 2025, the remuneration of the President and CEO of SKF Vertevo was governed by the principles of remuneration for Group Management of AB SKF, as she was also part of the Group Management of AB SKF during this period. The remuneration of the other members of SKF Vertevo's Executive Management Team was not formally governed by the SKF Group remuneration principles, but was in substance based on the same remuneration components as set out therein. The aim of the guidelines was to attract and retain the best people in order to contribute to the SKF Group's mission and business strategy, its long-term interests and sustainability. Remuneration for executives was to be based on market-competitive conditions and at the same time support the shareholders' best interests.

The following principles of remuneration for Group Management of the SKF Group applicable in 2024 and 2025 were approved by the AB SKF Annual General Meeting in March 2022.

Fixed salary

The fixed salary of an Executive Management Team member shall be at a market competitive level. It shall be based on competence, responsibility, experience and performance. The performance of Executive Management Team members shall be continuously monitored during the year and shall be used as a basis for annual reviews of fixed salaries.

Variable salary

The variable salary of an Executive Management Team member shall run according to a performance-based programme. The purpose of the programme shall be to motivate and compensate value-creating achievements in order to support operational, financial and sustainability targets and thereby promote the Group's business strategy, sustainability and long-term interests. The satisfaction of criteria for awarding variable salary shall be measured over a period of one year. The maximum variable salary shall vary between 25% to 30% of the accumulated annual fixed salary of Executive Management Team members.

Other benefits

The Group may provide other benefits to Executive Management Team members in accordance with local practice. Other benefits can for instance be a company car or health and medical insurance. Premiums and other costs relating to such benefits shall depend on and follow local conditions and local practice but shall represent, as a general rule, a limited value and may amount to not more than 10% of the accumulated annual fixed salary of the members of Executive Management Team.

Pension

The Group shall strive to establish pension plans based on defined contribution models, which means that a premium is paid amounting to a certain percentage of the employee's annual salary. The commitment in these cases is limited to the payment of an agreed premium to an insurance company offering pension insurance.

An Executive Management Team member shall normally be covered by, in addition to the basic pension (for Swedish members usually the ITP pension plan), a supplementary defined contribution pension plan. By offering this supplementary defined contribution plan, it is ensured that Executive Management Team are entitled to earn pension benefits based on the fixed annual salary above the level of the basic pension. The normal retirement age for Executive Management Team members shall be 65 years.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of the principles. For employments governed by Swedish rules, the premium for the supplementary pension plan shall be linked to age and amount to a maximum of 40% of the accumulated annual fixed salary not covered by any other pension plan.

Notice of termination and severance pay

An Executive Management Team member may terminate his/her employment by giving six months' notice. In the event of termination of employment at the request of the company, employment shall cease immediately. The Executive Management Team member shall, however, receive a severance payment related to the number of years' service, provided that it shall always be maximised to two years' fixed salary.

Salary and terms of employment for employees

When preparing the remuneration principles, the SKF Group Board of Directors has paid regard to the salary and terms of employment of the employees of SKF Group. Information about employees' total remuneration, the components of the remuneration and the growth and growth rate over time have been part of the basis for the SKF Group Board of Directors' and the SKF Group Remuneration Committee's evaluation of the fairness of the principles of remuneration and the limitations which the principles entail.

President and Chief Executive Officer

Kerstin Enochsson, President and CEO of SKF Vertevo AB has received remuneration from the company during 2025 governed by the remuneration principles decided upon by the SKF Group Annual General Meeting; salary and other remunerations amounted to a total of SEK 5,567,939 of which SEK 4,816,570 was fixed annual salary and other benefits.

The pension arrangement for Kerstin Enochsson is a combination of the ITP2 scheme and a defined contribution of 40% of the annual fixed salary above 30 income base amounts.

INCENTIVE PROGRAMME IN CONNECTION WITH THE SEPARATION AND LISTING OF THE AUTOMOTIVE BUSINESS

A separate incentive programme for SKF Vertevo's Executive Management Team was implemented in 2024, following the announcement to initiate a separation of the automotive business with the aim of a separate listing on Nasdaq Stockholm. The purpose was to incentivise sustained dedication, focus, and commitment from Executive Management Team to reach the ambitious objective of timely, efficient, and successful creation of two robust and high-performing businesses while driving business results and growth.

By investing in this programme, the SKF Group created a powerful motivator to, as far as possible, ensure successful execution of the separation and listing initiatives as well as the highest level of engagement from SKF Vertevo's Executive Management Team in reaching the ambitious goals and identified critical objectives key to the Group's long-term success.

The incentive programme offers the opportunity to be awarded a cash contribution in the form of a multiple of the monthly fixed salary. The performance period runs from 17 September 2024 until a successful listing on Nasdaq Stockholm of the automotive business. The level of achievement and hence the level of payout under the programme is measured against certain pre-determined performance criteria. Provided that the performance criteria are fully met, an Executive Management Team member may be awarded a maximum cash contribution equal to an amount set between six and twelve months of fixed salary. The performance criteria are Timeline; the

objective of following the listing timeline including that the automotive business is successfully listed on Nasdaq Stockholm, Target Delivery; an assessment based on the achievement of key deliverables in the project, and Cost Reduction; targets to identify and mitigate stranded costs and dis-synergies. The three performance criteria are weighted as follows: Timeline 50%, Target delivery 25% and Cost reduction 25%.

A precondition for payout under the programme is that the participant's employment has not been terminated. The awarded cash payment is not included in pensionable salary. The SKF Group Board of Directors may modify or terminate the programme.

Before determining the final payout, the Board of Directors will assess whether payout is reasonable considering the Group's financial results and position, the stock market conditions and other relevant factors. If deemed necessary, the Board of Directors may reduce the cash contributions to a lower amount considered appropriate.

The cost of the incentive programme is recognised as an operating expense over the performance period, adjusted in relation to the forecasted outcome.

LONG-TERM INCENTIVE PROGRAMMES

SKF long-term incentive programmes
Members of SKF Vertevo's Executive Management Team and other SKF Vertevo employees who are senior managers or key employees within the SKF Group currently participate in three long-term incentive programmes within the SKF Group: SKF Performance Share Programme 2024, 2025 and 2026 (each an "SKF PSP"). In connection with the separation of SKF Vertevo from the SKF Group, participants transferring to employment within SKF Vertevo will be entitled to a *pro rata* cash award reflecting the level of fulfilment of the applicable performance conditions under the relevant SKF PSP up to the record date for the distribution of SKF Vertevo shares to the shareholders of AB SKF. Any such award will remain conditional upon the participant remaining employed within SKF Vertevo until the end of the relevant performance period under the applicable SKF PSP.

SKF Vertevo long-term incentive programmes
SKF Vertevo has adopted three long-term incentive programmes: SKF Vertevo Performance Share Programme 2025, 2026 and 2027 (each an "SKF Vertevo PSP"). Participants of SKF PSP 2025 and SKF PSP 2026 who transfer to employment within SKF Vertevo in connection with the separation from the SKF Group will be offered participation in SKF Vertevo PSP 2025 and SKF Vertevo PSP 2026, respectively, as replacements for the periods remaining under the ongoing SKF PSP 2025 and SKF PSP 2026 as from the record date for the distribution of SKF Vertevo shares. Participation in SKF Vertevo PSP 2027 will be offered to senior managers and key employees of SKF Vertevo.

Delivery of shares under SKF Vertevo PSPs is subject to fulfilment of performance conditions based on (i) a ROCE target (weighted 45 per cent), (ii) the total shareholder return of SKF Vertevo series B share relative to a peer group or industry index, as determined by the Board of Directors (weighted 45 per cent), and (iii) a CO_2 emissions reduction target (weighted 10 per cent), as well as continued employment within SKF Vertevo throughout the relevant performance period. The performance periods run during 2027, 2027–2028 and 2027–2029, respectively, with delivery of shares expected to occur following the end of the relevant performance period. SKF Vertevo PSPs will not entail any dilution of SKF Vertevo shares.

Amounts expensed 2025 for all programmes were MSEK 11 (9) excluding social charges.

REMUNERATION TO THE BOARD OF DIRECTORS

During the major part of the financial years 2024 and 2025 members of SKF Vertevo Board of Directors did not receive any remuneration from SKF Vertevo AB. From December 2025 four individuals in the Board of Directors have received one month remuneration from SKF Vertevo (Håkan Buskhe received SEK 105,000, Therese Friberg SEK 58,333, Hock Goh SEK 35,417 and Philip Ahlgren SEK 107,500).

	Fixed salary		Short-term variable salary		Performance Share Programmes		Gross pension costs[4]	
Amounts in SEK	Fixed salary and other benefits[1] (amounts paid[2] in 2025)	Fixed salary and other benefits[1] (amounts expensed[3] in 2025)	Amounts paid[2] in 2025 related to 2024	Amounts expensed[3] in 2025	Amounts paid[2] in 2025 related to prior years	Amounts expensed in 2025[3]	Amounts expensed[3] in 2025	Total expensed in 2025
President and CEO	4,816,570	4,816,570	751,369	348,030	–	1,498,640	1,655,183	8,318,423
Other members of Executive Management Team[5]	22,948,487	22,948,487	1,141,941	1,449,579	10,639,632	9,936,120	5,057,713	39,391,900
Total 2025	**27,765,057**	**27,765,057**	**1,893,310**	**1,797,609**	**10,639,632**	**11,434,760**	**6,712,896**	**47,710,322**

1) Other benefits include for example company car and medical insurance
2) Amounts paid represent the cash outflow and are the amounts received by the individual in a specific calendar year (this can include payments for e.g. incentives earned in a prior year but paid out in the subsequent year).
3) Amounts expensed refers to the costs for services rendered during the specific calendar year by the individual but can also include adjustments or reversals to prior years. A difference can between amounts paid and amounts expensed can arise as the timing of the expense can be occurring in a different calendar year than the cash outflow to the individual.
4) Represents premiums paid under defined contribution plans as well as gross service costs under defined benefit plans.
5) Other members of Executive Management Team include of Angela Toro, Antonio Molle, Bastian Thomas, Federico Galetto, Fredrik Larsson, Hao Chu, Johan Lidell, Olaf Henning and Pernilla Heidenvall.

	Fixed salary		Short-term variable salary		Performance Share Programmes		Gross pension costs[4]	
Amounts in SEK	Fixed salary and other benefits[1] (amounts paid[2] in 2024)	Fixed salary and other benefits[1] (amounts expensed[3] in 2024)	Amounts paid[2] in 2024 related to 2023	Amounts expensed[3] in 2024	Amounts paid[2] in 2024 related to prior years	Amounts expensed in 2024[3]	Amounts expensed[3] in 2024	Total expensed in 2024
President and CEO	6,638,182	6,638,182	1,218,094	–216,844	–	846,300	1,631,006	8,898,645
Other members of Executive Management Team[5]	17,695,012	17,695,012	2,816,783	1,408,495	11,456,834	7,963,169	3,966,136	27,023,517
Total 2024	**24,333,194**	**24,333,194**	**4,034,877**	**1,191,651**	**11,456,834**	**8,809,469**	**5,597,142**	**35,922,162**

1) Other benefits include for example company car and medical insurance
2) Amounts paid represent the cash outflow and are the amounts received by the individual in a specific calendar year (this can include payments for e.g. incentives earned in a prior year but paid out in the subsequent year).
3) Amounts expensed refers to the costs for services rendered during the specific calendar year by the individual but can also include adjustments or reversals to prior years. A difference can between amounts paid and amounts expensed can arise as the timing of the expense can be occurring in a different calendar year than the cash outflow to the individual.
4) Represents premiums paid under defined contribution plans as well as gross service costs under defined benefit plans.
5) Other members of Executive Management Team include Angela Toro, Antonio Molle, Bastian Thomas, Federico Galetto, Fredrik Larsson, Hao Chu, Johan Lidell and Olaf Henning.

	2025		2024	
Men and women in Executive Management Team incl. President and CEO	Number of persons	Whereof men	Number of persons	Whereof men
Executive Management Team incl. President and CEO	10	70%	9	78%

NOTE 22 FEES TO THE AUDITORS

MSEK	2025	2024
Audit fees	12	13
Whereof Deloitte AB	*3*	*3*
Other fees	5	–
Whereof Deloitte AB	*4*	–
Total	**17**	**13**

Audit fees are related to examination of the financial reporting, the administration by the Board and the President as well as other tasks related to the duties of a company auditor. All other assignments are defined as “Other fees”.

NOTE 23 AVERAGE NUMBER OF EMPLOYEES

	2025		2024	
	Number of employees	Whereof men %	Number of employees	Whereof men %
EMEA	2,581	82	2,565	84
Americas	1,753	74	1,672	75
APAC excl. India	1,450	72	1,558	72
India	1,559	81	1,571	83
Total	**7,343**	**78**	**7,366**	**79**

NOTE 24 FINANCIAL RISK MANAGEMENT

SKF Vertevo's overall financial objective is to create value for its shareholders.

The capital structure target of SKF Vertevo is a net leverage <1.0x.

Key performance indicators[1]	2025	2024
Adjusted return on capital employed[2], %	5.5	8.9
Net leverage (Net debt (including pensions) / adjusted EBITDA)[2]	2.5	1.5

1) Definitions of key performance indicators are available on pages 115–117.
2) Adjusted for items affecting comparability.

SKF Vertevo's operations are exposed to various types of financial risks; market risks (currency risk, interest rate risk and other price risks), liquidity risks and credit risks, each being discussed below.

SKF Vertevo's risk management incorporates a financial policy that establishes guidelines and definitions of currency, interest rate, credit and liquidity risks and establishes responsibility and authority for the management of these risks. The policy states that the objective is to eliminate or minimise risk and to contribute to a better return through the active management of risks. The management of the risks and the responsibility for all treasury operations are largely centralised at SKF Treasury Centre, SKF Vertevo's internal bank. The responsibility includes ensuring the appropriate level of funding through loans and secured credit facilities while simultaneously overseeing and ensuring the liquidity level for SKF Vertevo.

The policy sets forth the financial risk mandates and the financial instruments authorised for use in the management of financial risks.

MARKET RISK – CURRENCY RISK

SKF Vertevo is exposed to changes in exchange rates in the future flows of payments related to firm commitments and forecasted transactions and to loans and investments in foreign currencies, i.e. transaction exposure. SKF Vertevo's accounts are also affected by translating the results and net assets of foreign subsidiaries into SEK, i.e. translation exposure. SKF Vertevo applies natural hedging as the leading principle for strategic currency risk mitigation. This is managed organically within operations without financial instruments by leveraging on inherent business activities and by considering currency risk in all strategic investment decisions.

TRANSACTION EXPOSURE

Transaction exposure mainly arises as a result of intra-Group transactions between SKF Vertevo's manufacturing companies and SKF Vertevo's sales companies, situated in other countries and selling the products to end-customers normally in local currency in their local market. In some countries, transaction exposure may arise from sales to external customers in a currency different from the local currency. Currency rates and payment conditions to be applied to the internal trade between SKF companies are set by SKF Treasury Centre. Currency exposure and risk is primarily, and to a large extent, reduced by netting internal transactions. SKF Vertevo's external exposure is primarily mitigated by matching in- and outflows of the same currency.

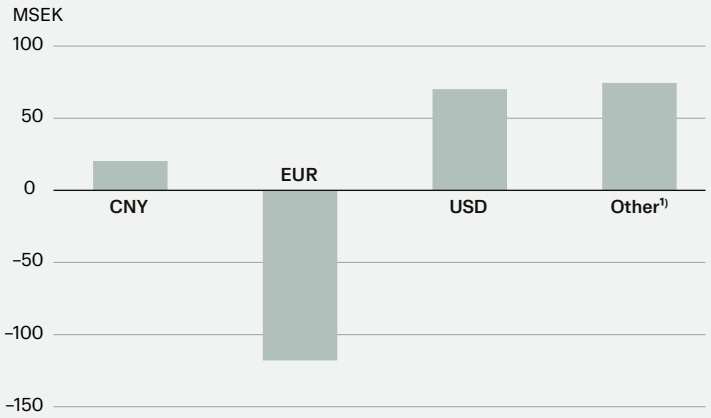
Net currency flows (MSEK)	2025	2024
CNY	410	381
EUR	–2,360	–2,002
USD	1,405	1,586
Other[1]	1,491	1,618

Net currency flows (MSEK)	2025	2024
SEK	–946	–1,583

1) Other is a sum comprising 14 different currencies

Based on the assumption that the net currency flows will be the same as in 2025, the below graph represents a sensitivity analysis that shows the effect in SEK on operating profit of a 5 per cent weaker SEK against all other currencies. The effect on equity is the below result after tax. The effects of fluctuations upon the translation of subsidiaries' financial statements into SKF Vertevo's presentation currency are not considered.

Effect of transactional currency flows on operating profits of a 5% weaker SEK

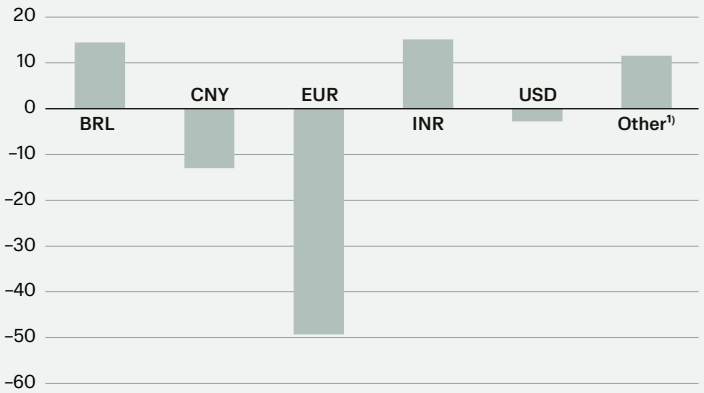


1) Other is a sum comprising 14 different currencies.

TRANSLATION EXPOSURE

Translation exposure is defined as SKF Vertevo's exposure to currency risk arising when translating the results and net assets of foreign subsidiaries to SEK. Moreover, SKF Vertevo is mitigating the translations risk through the optimisation of the internal capital structure, which involves allocating distributable funds in the financial statements to the ultimate parent company. Based on 2025 operating profits in local currencies, the below graph represents a sensitivity analysis that shows the effect in SEK on the translation of operating profits of a 5 per cent weaker SEK against all other currencies.

Effect of translation on operating profits to SEK of a 5% weaker SEK



1) Other is a sum comprising 20 different currencies.

INTEREST RATE RISK

SKF Vertevo defines interest rate risk as the risk of negative fluctuations in SKF Vertevo's cash flow caused by changes in the interest rates and does not encompass credit spread.

At year-end, total interest-bearing financial liabilities amounted to MSEK 5,013 (4,046) and total interest-bearing financial assets amounted to MSEK 1,615 (1,489). Liquidity management is concentrated to SKF Treasury Centre.

MARKET RISK – PRICE RISKS

Market risks also include other price risks, where the relevant risk variables for SKF Vertevo are stock exchange prices or indexes.

As of 31 December, 2025, SKF Vertevo held investments in equity securities with quoted stock prices which amounted to MSEK 9 (0), categorised as fair value through other comprehensive income.

LIQUIDITY RISK

Liquidity risk, also referred to as funding risk, is defined as the risk that SKF Vertevo will encounter difficulties in raising funds to meet commitments. Group policy states that, in addition to current loan financing, SKF Vertevo should have a payment capacity in the form of available liquidity and/or long-term committed credit facilities.

The table below shows SKF Vertevo's contractually agreed and undiscounted interest payments and repayments of the financial liabilities with payment flows. All instruments held on 31 December, 2025 for which payments were contractually agreed were included. Planning data for future, new liabilities were not included. Amounts in foreign currency were translated at closing rate. The variable interest payments arising from the financial instruments were calculated using the last interest rates fixed before 31 December 2025. Financial liabilities were assigned to the earliest possible time period when they can be required to be repaid.

	2025 cash flows			
MSEK	**2026**	**2027**	**2028–2030**	***2031 and thereafter***
Loans	4,562	83	–	–
Trade payables	4,904	–	–	–
Lease liabilities	141	117	210	74
Total	**9,607**	**200**	**210**	**74**

CREDIT RISK

Credit risk is defined as SKF Vertevo's exposure to losses in the event that one party to a financial instrument fails to discharge an obligation. SKF Vertevo is exposed to credit risk from its operating activities and certain financing activities.

The maximum exposure to credit risk for SKF Vertevo amounted to MSEK 5,665 (5,962) as of the balance sheet date. The exposure is represented by total financial assets that are carried on the balance sheet with the exception of equity securities. No granting of significant financial guarantees increasing the credit risk and no significant collateral agreements reducing the maximum exposure to credit risk existed as of the balance sheet date.

Credit risk (MSEK)	**2025**	**2024**
Trade receivables	4,050	4,468
Other receivables	283	321
Cash and cash equivalents	1,332	1,173
Total	**5,665**	**5,962**

At operational level, the outstanding trade receivables are continuously monitored locally in each area. SKF Vertevo's concentration of credit risk related to trade receivables is mitigated primarily due to its many geographically and industrially diverse customers. Trade receivables are subject to credit limit control and approval procedures in all subsidiaries.

With regard to treasury related activities, SKF Vertevo's policy states that only well-established financial institutions are approved as counterparties. Transactions are made within fixed limits and credit exposure by counterparty is continuously monitored.

NOTE 25 NON-CONTROLLING INTEREST

ACCOUNTING POLICY

Subsidiaries that SKF Vertevo controls, but owns less than 100 per cent in, are consolidated into SKF Vertevo's financial statements. The category "non-controlling interests (NCI)" in the combined statements of changes in equity accumulates the portion of a subsidiary's equity that is not attributable to the owners of SKF Vertevo.

SIGNIFICANT NON-CONTROLLING INTERESTS

The largest non-controlling interests are now attributable to SKF India Ltd and SKF Indonesia.

As of 31 December 2025, the non-controlling interest in the subsidiary SKF India Ltd amounted to MSEK 631, corresponding to 47.4 per cent of the total number of shares in SKF India Ltd, and the non-controlling interest in the subsidiary PT SKF Indonesia amounted to MSEK 107, corresponding to 40 per cent of the total number of shares in PT SKF Indonesia. This represents 7.0 per cent (7.0) of SKF Vertevo's total equity. The table presents the summarised financial information of SKF India Ltd and PT SKF Indonesia.

	January–December	
Summarised income statement (MSEK)	**2025**	**2024**
Net sales	2,556	2,881
Operating profit	358	303
Net income	**186**	**162**
Other comprehensive income	–652	178
Total comprehensive income	**–466**	**340**
Profit allocated to NCI	86	77
Dividends paid to NCI	–37	–369

	As of 31 December	
Summarised balance sheet (MSEK)	**2025**	**2024**
Non-current assets	144	435
Current assets	2,342	2,150
Total assets	**2,486**	**2,585**
Equity attributable to shareholders of AB SKF	860	2,175
Equity attributable to NCI	738	1,010
Non-current liabilities	16	45
Current liabilities	872	366
Total equity and liabilities	**2,486**	**3,596**

NOTE 26 COMBINED ENTITIES

During the financial years 2024 and 2025, SKF Vertevo's business has been carried out in different SKF Group legal entities. As part of the formation of SKF Vertevo, business has been transferred during 2025 and 2026 to SKF Vertevo legal entities, which are listed below.

Legal entities	Organisation number	Country	Ownership %
SKF Vertevo AB	559505–9022	Sweden	Parent company
SKF Vertevo Sweden AB	559523–4518	Sweden	100%
SKA Automotive Italy S.r.l		Italy	100%
SKF Vertevo Germany GmbH		Germany	100%
SKF Vertevo France SAS		France	100%
SKF Española S.A.		Spain	100%
SKF Vertevo (U.K.) Limited		United Kingdom	100%
SKF Vertevo Belgium I NV		Belgium	100%
SKF Vertevo Belgium Logistics NV		Belgium	100%
SKF Vertevo Belgium Trade NV		Belgium	100%
PSC SKF Ukraine		Ukraine	100%
SKF Interim Poland Sp. Z.o.o		Poland	100%
SKF Turk Otomotiv Anonim Sirketi		Turkey	100%
SKF Vertevo South Africa (Pty) Ltd		South Africa	100%
SKF Automotive (Australia) Pty Ltd		Australia	100%
SKF Automotive Korea Co., Ltd.		South Korea	100%
SKF Automotive Japan Ltd.		Japan	100%
SKF India Limited		India	52.58%
SKF Engineering and Technologies Automotive India Pvt. Ltd		India	100%
SKF Automotive Malaysia SDN. BHD.		Malaysia	100%
SKF Automotive (Thailand) Ltd.		Thailand	99.99%
PT SKF Automotive Indonesia		Indonesia	100%
PT SKF Indonesia		Indonesia	60%
SKF Automotive (Shanghai) Co., Ltd.		China	100%
SKF (Jinan) Bearings and Precision Technologies Products Co., Ltd		China	100%
SKF Automotive Bearing (Shanghai) Co., Ltd		China	100%
Changshan Peer Bearing Co., Ltd		China	100%
SKF Vertevo USA, Inc.		USA	100%
SKF Vertevo Canada Inc.		Canada	100%
SKF de Mexico S.A. de C.V.		Mexico	99.99%
SKF Automotive Colombia S.A.S.		Colombia	100%
SKF Vertevo Peru SAC		Peru	99.99%
SKF do Brasil Ltda.		Brazil	100%
SKF Automotive Argentina S.A.		Argentina	99.99%
SKF Vertevo Uruguay S.A.S		Uruguay	100%
SKF Vertevo Greece S.A.		Greece	100%

NOTE 27 SUBSEQUENT EVENTS

With regard to the potential impact of events after the Balance Sheet date in accordance with *IAS 10 (Events after the Reporting Period*), the principle has been chosen in the combined financial statements to only consider events in the most recent period presented, that is, the 2025 financial year. Accordingly, the 2024 financial year is considered to be concluded.

The Board of Directors have, in connection with the approval of these financial statements on 10 November 2026, assessed that no significant events have occurred after the reporting period on 31 December 2025 that require adjustment of, or disclosure in, SKF Vertevo's financial statements.

During 2026, several restructuring transactions between SKF Group and SKF Vertevo has been implemented to establish SKF Vertevo as an independent company separate from SKF Group. As the date of signing all the restructuring transactions have been implemented.

The Board of Directors have been changed during the year. Jumana Al-Sibai, Ebba Bonde and Maria Hemberg and Kerstin Enochsson were elected on 29 January 2026.

21 August, SKF Vertevo entered into a MEUR 400 (approximately BSEK 4.5) multicurrency revolving credit facility agreement (incorporating a BSEK 1.5 swingline facility) with SEB as original lender and original swingline lender.

7 September, The Board of Directors of AB SKF decided to propose the distribution and listing of SKF's Automotive business, SKF Vertevo, and convenes an Extraordinary General (EGM) on 1 October 2026.

24 September, Nasdaq Stockholm decided to approve SKF Vertevo's application for admission of the Company's shares to trading on Nasdaq Stockholm provided that certain customary conditions are fulfilled. First day of trading is expected to be 1 December 2026.

29 September, SKF Vertevo AB received an unconditional shareholder contribution in the amount of MSEK 3,000 by payment in cash. The capital contribution received was used for pay-back of loans from SKF International AB.

1 October, an EGM of AB SKF approved the distribution of SKF Vertevo from AB SKF to its shareholders. Shareholders of AB SKF will receive one SKF Vertevo AB share for every five AB SKF shares held. In total, 91,070,213 shares in SKF Vertevo will be distributed to the shareholders of AB SKF.

5 October, the MEUR 400 multicurrency revolving credit facility that was entered into on August 21 has successfully been syndicated to a group of 8 banks, with each bank holding a ticket size of MEUR 50.

16 October, SKF Vertevo entered into a term loan facility agreement of MEUR 50 (approximately MSEK 550) with Svensk Exportkredit as lender.

19 October, SKF Vertevo's subsidiary SKF Automotive (Shanghai) Co., Ltd. entered into a term loan facility agreement of MCNY 760 (approximately MSEK 1,100) with Bank of China as lender.

23 October, SKF Vertevo received an unconditional shareholder contribution in the amount of MSEK 3,600 million by way of cash payment from the shareholder AB SKF.

10 November, SKF's Board of Directors resolved that the record date for the distribution of all SKF Vertevo shares to the shareholders of SKF will be 27 November 2026 and the first day of trading in the SKF Vertevo share on Nasdaq Stockholm is expected to occur on 1 December 2026. The Company's ticker symbol on Nasdaq Stockholm for the shares of series A and B will be SKFVER A and SKFVER B, respectively.

10 November, SKF Vertevo and SKF entered into the Master Separation Agreement which governs the separation principles and the allocation of liabilities between the parties. The Master Separation Agreement will remain in force during a perpetual period of time, neither party has a right to terminate the agreement and the agreement becomes effective on the date of the distribution of the shares in SKF Vertevo to the shareholders of SKF.

REPORT FROM INDEPENDENT AUDITOR

To the Board of SKF Vertevo AB (publ), org.nr 559505-9022

Report on the combined financial statements

Opinions

We have audited the combined financial statements of SKF Vertevo AB (publ) for the period of two financial years ended on December 31, 2025. The combined financial statements of the Group are included on pages F-21–F-52 in this document.

In our opinion, the combined financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and present fairly, in all material respects, the combined financial position of the Group as of December 31, 2024 and December 31, 2025 and of its combined financial performance and combined cash flow for each of the two financial years ended December 31, 2025 in accordance with IFRS, as adopted by the EU.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's responsibilities* section. We are independent of the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Chief Executive Officer (CEO)

The Board of Directors and the CEO are responsible for the preparation of the combined financial statements and that they give a fair presentation in accordance with IFRS, as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Board of Directors and the CEO are responsible for the assessment of the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intends to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities

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

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the combined 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 opinions. 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 the Group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the combined financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion about the combined financial statements. 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 a Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Gothenburg, November 10, 2026

Deloitte AB

Hans Warén

Authorized Public Accountant

GLOSSARY

APAC	Asia Pacific
CAGR	Compound annual growth rate
CV/CVs	Commercial Vehicles, including light- to heavy-duty trucks, trailers and buses
CX	Customer Experience
EMEA	Europe, Middle East, Africa
ESG	Environmental, Social and Governance
EV/EVs	Electric Vehicles, referring to battery- and fuel-cell-powered vehicles, including hybrid vehicles with a battery capacity exceeding 20 kWh
ICE	Internal Combustion Engine
NVH	Noise, Vibration and Harshness
OE	Original Equipment
OEM	Original Equipment Manufacturers
PV/PVs	Passenger Vehicles, including passenger cars, light commercial vehicles up to six tonnes, pick-up trucks and high-performance vehicles
R&D	Research and Development
RFQ	Request for Quotation
S&OE	Sales and Operations Execution
S&OP	Sales and Operations Planning
SKU	Stock Keeping Units
SPS	SKF Vertevo Production System
SUV	Sport Utility Vehicle
TAM	Total Addressable Market
VA	Vehicle Aftermarket

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