



Annual report 2025



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Message from the CEO

In 2025, the Step Up! strategy delivered solid results for Nedap. Our focus on four key markets, combined with the effective deployment of Nedap-wide capabilities, resulted in total revenue growth of 11% compared with 2024. Our key markets grew by 18%, outpacing overall growth.



Markets and customers

Customer willingness to invest remained broadly solid across our markets, reflecting continued confidence in the value of our solutions. In Retail, investment dynamics were more mixed, with customers responding cautiously to ongoing market uncertainty. Geopolitical dynamics have so far had a limited impact but could over time lead to more fundamental market shifts. We therefore continue to closely monitor these developments and remain ready to adapt as conditions evolve.

Create & Scale growth strategy

We continued to execute our Create & Scale growth strategy. The clear guiding principles and structured approach established in the Create phase resulted in a more effective and accelerated decision-making process, focused on defining and validating our assumptions about customer needs and business opportunities. We also made progress in leveraging knowledge, experience, and technology across Nedap.

This accelerated product development and drove successful product launches across all key markets. In Healthcare, MediKIT's modern architecture enables faster delivery of new functionalities, driving increased adoption by general practitioners. In Livestock, the AI-powered SmartSight Locomotion solution was successfully introduced in Ireland and the United States, with almost all pilot customers converting to paid subscriptions. In Security, Nedap Mobile Access became available on both iOS and Android, boosting adoption in Europe and the Middle East. In Retail, the iD SCO Pro reader, an RFID-based self-checkout solution designed to unlock additional value from our iD Cloud platform, gained traction with rollouts announced at large retailers.

Strengthening and extending our commercial model

As in recent years, in 2025 we made substantial investments in the Scale phase by further building a strong, global sales and support organization, focused on the products and markets where we see the most attractive scale opportunities. Even as our solutions become increasingly digital, a strong physical presence in our key markets remains essential to building and expanding leading positions.

As a growing share of our revenue comes from recurring software services, our commercial strategy increasingly extends beyond the initial sale to long-term customer success. This includes ensuring seamless adoption, supporting day-to-day use, and maximizing added value. This approach not only promotes customer loyalty and reduces churn, but also drives the adoption of additional services, increasing customer lifetime value. Since 2025, this way of working has been rolled out across all four key markets, supporting consistency, scalability, and impact.

Our profile

Over the past years, Nedap has clearly evolved as a company. Through consistent strategic choices and a strong focus on four key markets, we have strengthened our positioning and sharpened our profile. The continued trust of leading customers across these markets confirms that our solutions address real and relevant challenges, and that we are on the right strategic path.

Reaching €100 million in annual recurring revenue was an important milestone in this journey. It marks more than financial progress; it reflects a fundamental shift in our business model and in how we are perceived. We are increasingly recognized as a technology-driven organization with a strong digital foundation and sustainable growth prospects. This clearer profile has resonated with a broader and more diverse group of shareholders, contributing to a strong share price performance during the year.

Importantly, Nedap is not a generic SaaS company. We operate as a Digital Twin Technology Company, developing solutions that closely reflect and support our customers' real-world processes. A key asset in this model is the extensive and growing datasets we build across our markets. Through our digital technology stack we create and unlock high-quality, mission-critical data that is essential for creating winning solutions.

As software development itself becomes increasingly commoditized, access to and ownership of relevant data is becoming ever more decisive. Our strong data position, combined with deep domain expertise, places Nedap in an excellent position to benefit from advances in artificial intelligence and to develop impactful software solutions faster and more effectively.

Streamlining and accelerating

Over the past year, we made significant progress in our transition to a next-generation, cloud-based ERP solution. Implementation is already well underway and will continue in a phased rollout over the coming years. In parallel, we are standardizing ways of working across business units based on best practices applied consistently across Nedap. This strengthens organizational focus, supports a more scalable operating model, and improves collaboration and overall effectiveness, while laying the foundation for further automation and efficiency gains.

We are actively embracing AI to strengthen the effectiveness and efficiency of both our solutions and our organization. First solutions are already in use, both in our market offerings and internally, where AI is deployed to automate processes, accelerate software development, and support better decision-making.

While we expect AI to have a significant positive impact on the added value per employee over the longer term, building the required knowledge, experience, and skills will lead to additional costs in the short term. We nevertheless see AI as a key driver for improving speed, quality, and scalability, and we will continue to invest in these capabilities.

People

Organizations are confronted with volatile market conditions and rapid technological developments. Amid this uncertainty, customers increasingly choose Nedap for the trust they place in the people they work with, seeking long-term partnerships rather than purely technical solutions. This is where our people give us a clear and lasting competitive edge.

That is why we invest in attracting top talent and in the continuous development of our people. We encourage ownership of long-term customer success and foster collaboration and accountability. Ultimately, the dedication, professionalism, and adaptability of our people form the core of our competitive advantage and enable Nedap to build lasting relationships and create sustainable value for our customers.

Outlook

For 2026, we expect revenue growth across all four key markets, supported by our continued investments under the Create & Scale growth strategy. While geopolitical and macroeconomic developments may influence market dynamics, our strategic focus, strong recurring revenue base and disciplined execution provide confidence in our direction. We reiterate our Step Up! financial ambitions, including an EBIT margin progressing toward the mid-teens over time.

In closing

This is the 25th annual report to which I have had the privilege of contributing, 18 of them as CEO. Over this period, Nedap has undergone a profound transformation, from an electronics manufacturer primarily producing products on behalf of third parties to a leading Digital Twin Technology company with strong market positions in four key markets. This far-reaching transformation has been achieved while delivering solid financial results.

As the time has come for me to take a step back, I would like to sincerely thank our employees, customers, shareholders, partners, suppliers, and all other stakeholders who have contributed to this transformation. We could not have achieved this without your long-term support. It has been an honor to serve as CEO and to contribute to the growth and development of Nedap during this period.

Nedap is well positioned for further growth and for strengthening its leading positions in the four key markets. This will require continued focus, critical reflection, and a strong pace of execution. With the intended appointment of Rob Schuurman as the new CEO, I look to the future of Nedap with great confidence.

23 February 2026
Ruben Wegman, CEO

Key facts & figures

Key facts



Founded in

1929

Listed on Euronext
Amsterdam since 1947



1,000+
employees



**Headquartered
in Groenlo, the
Netherlands**

Offices in Belgium, China,
Germany, Hong Kong, New
Zealand, Poland, Spain,
United Arab Emirates,
United Kingdom, and
United States of America.



**Digital Twin
Technology
company**



**Full-stack
solutions**

- IoT
- RFID
- SaaS
- Vision



Create & Scale



**Leading
positions in
4 key markets**



**A culture of
innovation**



**Highly educated
and engaged
employees**

Key figures



Revenue
€ x 1M

279.8

+11%

2024: 251.6



Earnings per share
€ x 1

3.72

2024: 2.82



Number of employees

1,077

2024: 1,041



Recurring revenue
€ x 1M

111.5

2024: 100.2



Dividend per share
€ x 1

3.70

2024: 3.20



Added value per FTE
€ x 1,000 per FTE

201

2024: 181



Operating margin

11.3%

2024: 9.5%



Return on invested capital

37%

2024: 26%



Research and development cost
as % of revenue

20%

2024: 20%



Scope 1 and 2 GHG emissions
in tCO₂e (market-based)

701

2024: 757



Scope 3 Intensity based GHG emissions
in tCO₂e per €1M added value

761

2024: 961*



Gender diversity
Male / female

73% / 27%

2024: 73% / 27%

* This number was adjusted from 683 to reflect the company's expanded SBTi-scope in 2025 (see [section 8.1.2](#)).

1. About Nedap



1.1 The Nedap Story

Nedap is leading the way in Digital Twin Technology, bridging the physical and digital worlds in Healthcare, Livestock, Retail, and Security. Through our full-stack solutions built on IoT, RFID, SaaS, and Vision, we enhance professionals' day-to-day experiences while driving better decisions for our customers and their markets.

Technology for Life

Technology for Life is our purpose and drives us in everything we do. It means our solutions are sustainable and forward thinking, and provide lasting value, helping people and organizations succeed in an ever-changing world. We are passionate about our technology and take pride in the real results it delivers for people, creating meaningful impact and enhancing their professional lives.

Meaningful change through market leadership

We aim for market leadership. First and foremost, we see it as a reflection of the relevance of our solutions. Building and solidifying our position as a market leader is also essential to maximizing our impact – spanning not only professionals and their organizations, but entire markets. We move forward together with our customers, as we have for over 96 years. Nedap's teams worldwide work in partnership with the people who use our solutions every day, positioning us to drive meaningful change. They trust that what works today gets even better tomorrow.

Added value

Added value per employee is a key metric for Nedap. It tells us how effectively we turn our technology expertise and understanding of customers and markets into meaningful solutions. Our presence in four markets offers a strategic advantage. What we learn in one market, we apply to another. By leveraging our collective capabilities, we increase our added value per employee. This growth supports our culture of innovation, with continued investments in people and research and development.

Moreover, we aim to establish a shared commitment to Nedap's growth with our employees. Our share scheme and employee participation plan allow employees to share in our financial success. By giving our employees a stake in our company and its future, we recognize their contributions and foster a sense of pride and ownership in what we achieve together.

1.2 Our strategy

At Nedap, we aim for market leadership in Healthcare, Livestock, Retail, and Security. We have chosen these markets for their long-term value potential. Our markets offer a sustainable competitive edge, attractive financial returns, and sufficient opportunities for organic growth.

We foster an entrepreneurial culture that facilitates innovation. Our strength lies in maintaining our market focus while leveraging our collective knowledge and capabilities to deliver value through technology. We invest in research and development and the commercial capabilities needed to fulfill our markets' growth potential.

Digital Twin Technology

With our Digital Twin Technology, we bridge the physical and digital worlds. Our solutions create digital representations of healthcare delivery, dairy farm operations, retail environments, and security infrastructure. These digital twins help unlock the power of advanced technologies such as deep learning, AI, and big data, making them key elements of our strategy.

Step Up!

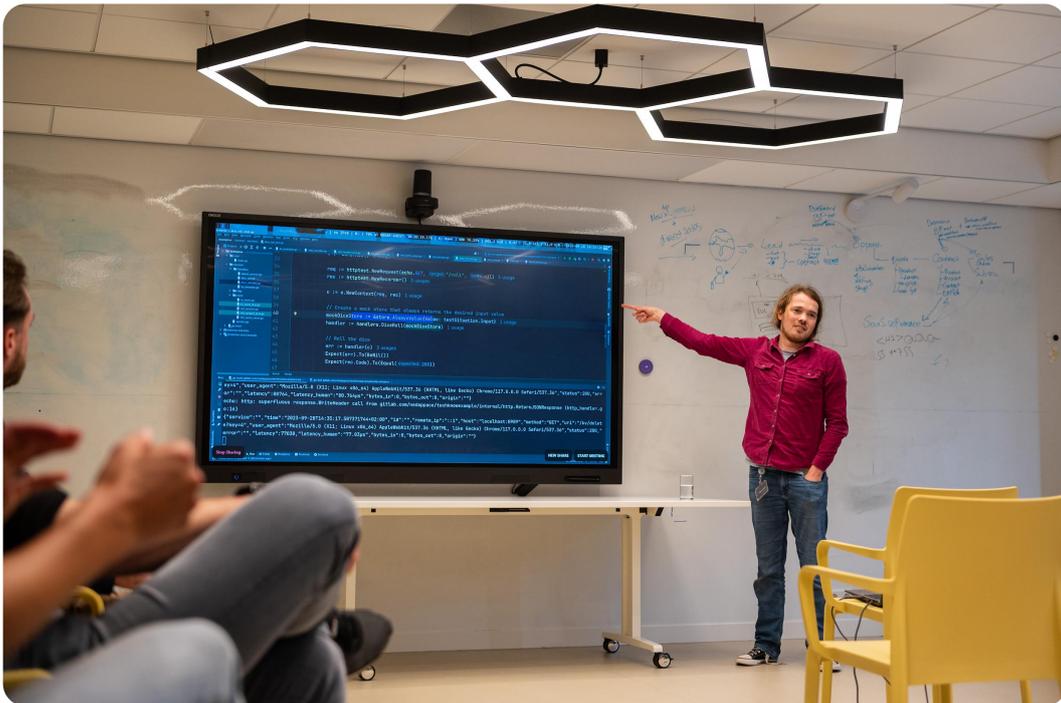
Always in motion is our promise to our customers. It means that what works today gets even better tomorrow. It also represents our commitment to continuously improving our own way of working under Step Up! We do this by creating focus and reducing complexity. Our Step Up! efforts have ranged from making strategic decisions about our markets and solutions to creating opportunities for sharing technical and commercial know-how across our organization.

Step Up! today is about increasing our impact. We do this by encouraging entrepreneurial thinking and innovation while assessing the business impact of our ideas. This ensures we focus on activities that deliver financial results and long-term stakeholder value. As we move forward, we stay true to our values: Radically clear, Always deliver, and Full Nedap power.

Create & Scale growth strategy

Create & Scale is our strategy for achieving organic growth. It guides us in developing innovative solutions and scaling them to market-leading positions, delivering lasting value. It also keeps us agile and ready to adapt. Create & Scale is built on three pillars: the Create, Scale, Core (CSC) methodology, scaling by surfing, and driving growth through market leadership.

- *CSC methodology*
Our structured approach to developing innovations while gaining market share with our existing solutions, clearly defining when to take what steps.
- *Scaling by surfing*
The way we navigate the wave of changing market dynamics, from new customer needs to emerging technologies. We leverage our technological and market experience to identify these paradigm shifts, catching and surfing the right wave, and leading transformations rather than adapting to market changes. We follow this approach to achieve market share, and when we have achieved it, we leverage our credibility and customer references to strengthen our position.
- *Driving growth through market leadership*
Expanding our customer base to new sectors and regions, while simultaneously growing our value per customer with new applications and features.



CSC methodology

The CSC methodology guides decision-making, prioritization of efforts, and allocation of resources across the three phases of a solution's lifecycle. Each phase has distinct needs. By mapping our solutions to their specific phase, we can focus more clearly, get the right teams in place, and invest in the necessary infrastructure. With CSC, we also create insight into our solutions pipeline. By differentiating between Create, Scale, and Core, we gain a clear picture of our future growth opportunities, current growth potential, and steady baseline.

Create

The primary objective in the Create phase is to validate the market potential of a new solution. We work with selected customers to ensure the solution offers strong competitive differentiation, and we remain flexible by returning to the drawing board if necessary. Our goal is to move quickly toward a validated, scalable business model with the first paying customers.

Scale

In the Scale phase, the focus shifts to gaining maximum market share. We only scale when market and technology readiness reach the right level. Once conditions are right, we expand sales, marketing, and customer support, and we design processes to be standardized and scalable. By scaling strategically, we maximize value while ensuring long-term success in the markets we serve.

Core

When a solution reaches maturity, it enters the Core phase. In this phase, we make strategic investments to align solutions with evolving customer needs and ensure their long-term value. By keeping our solutions relevant, we are able to capture value from our investments. Solutions in the Core phase support our investments in creating and scaling innovative solutions.

Value creation model

Our value creation model shows how we use resources to create value for our people and organization, customers and end-users, and partners throughout the value chain. It also connects our purpose, strategy, and CSC methodology to our sustainable impact. In this annual report, we provide insight into the financial and non-financial results of our value creation process.

Our foundation



Human capital



Intellectual capital



Financial capital



Social and manufactured capital



Natural capital

Our value creation model



How we create value

We start with people – by giving them the space, trust and support to grow and take responsibility.

From that foundation, we create technology that truly helps professionals in their daily work.

We focus on solutions that can grow, adapt and last – reducing risk and increasing relevance over time.

We build long-term partnerships based on trust, reliability and shared success.

The results we achieve allow us to keep investing in people, innovation and a sustainable future.

Tomorrow in Motion

Our approach to sustainability and long-term value creation



Technology for a changing world

We create solutions that help customers adapt, work more efficiently and reduce their environmental impact.



Sustainable by default

We design long-lasting, energy-efficient products with lower impact across their entire life cycle.



Sustainable operations

We reduce our operational footprint by moving toward net-zero through renewable energy and efficiency.

Our contribution to the UN SDGs



We create Technology for Life by connecting people, technology and insight to help professionals thrive in a changing world.

1.3 Our people

People are Nedap’s competitive advantage – our primary value creators. We drive meaningful change in our markets by finding, growing, and retaining the best talent, then equipping them to excel. By planning for and investing in future capabilities, leadership development, and performance enablement, we position ourselves to deliver on our ambitions and sustain our growth.

People at the heart of value creation

We have selectively grown our workforce in recent years and invested in Nedap-wide and market-specific expertise and capabilities. This has strengthened our ability to create and scale solutions that deliver measurable value for customers.

Our people strategy focuses on enabling our talent to excel and deliver impact rather than pursuing significant headcount growth. We harness our entrepreneurial culture, build an inclusive environment, and create the systems that allow people to turn their potential into performance. We aim for higher added value per employee as an indicator that our people strategy is enabling greater impact for our customers and Nedap.

Our emphasis on added value per employee reflects our approach to compensation and benefits. We engage in profit sharing to reward contributions and incentivize entrepreneurial thinking and innovation that drive long-term value.



People strategy

Our people strategy centers around five pillars: getting the basics right, connecting the dots, accelerating leadership, stepping up performance, and a future-proof talent ecosystem. Within the people strategy, we focus on three strategic initiatives:

Advancing talents and building capabilities



We attract, develop and retain talent by offering clear career paths, targeted learning opportunities and future-ready capabilities. Through focused talent acquisition, self-directed learning and strategic workforce planning, we equip our people with the skills needed to grow, innovate and stay competitive.

- Talent development
- Future capabilities
- Continuous learning

Accelerating leadership



We strengthen leadership by setting clear expectations, developing leadership skills at all levels and preparing successors for key roles. Through structured leadership development and deliberate succession planning, we build continuity, ownership and the leadership capacity needed for long-term success.

- Leadership development
- Succession & continuity
- Ownership & direction

Performance enablement



We drive engagement and performance by providing clear expectations, regular feedback and recognition, and transparent pathways for career and reward progression. By enabling ownership and focus, we support our people in delivering results and doing their best work.

- Performance clarity
- Feedback & recognition
- Growth & rewards

1 Advancing talents and building capabilities

We take a focused approach to talent acquisition, ensuring we attract the best people in a competitive labor market. We develop and retain our talent with more and clearer opportunities for career progression within the entire Nedap organization and supported by learning and development programs. Through strategic workforce planning, we anticipate the capabilities needed to grow and remain competitive, including deep expertise in core and emerging technologies and AI readiness across all roles.

We empower people to take the lead in their personal and professional development. The Nedap Learning Platform promotes self-directed learning by providing easy access to e-learning, internal and external training programs, mentoring, and coaching. The Nedap Academies consist of professional and leadership development programs that are aligned with our company strategy and Step Up! ambitions. Onboarding programs prepare new Nedap employees for a successful start to their careers.

2 *Accelerating leadership*

We develop leadership capabilities by establishing clear and explicit expectations. The Nedap Leadership Framework articulates our vision of what good leadership entails. Leadership profiles outline the skills, behaviors, and sense of ownership needed to lead others successfully. We support leaders through tailored training programs and content and through standardized, digitized HR processes. Additionally, we continue to emphasize personal leadership because leading yourself well is the foundation of effective leadership, regardless of your formal role.

Succession planning is a deliberate part of our approach. We conduct leadership reviews to identify key positions and prepare potential successors for future growth. This builds continuity and reduces dependency on individuals, ensuring we have the right leadership capabilities in place as our business evolves.

3 *Performance enablement*

We support employee engagement and performance by being clear about expectations and by providing regular feedback and recognition. We offer clear pathways for career and reward progression. We equip and motivate our people to do their best work and take ownership of results.





Vincent Ormel *HR Business Partner Healthcare*

“Everything we design has to fit our culture of autonomy and ownership.”

“The challenge in HR at Nedap is to continuously professionalize without losing who we are. As HR business partners, we constantly balance the two: adding structure where it really helps, while leaving space for people and teams to take ownership. We can design policies and frameworks, but they always have to fit our culture of autonomy and ownership.”

Diversity, Equity, and Inclusion

Nedap relies on a diverse workforce to create the best solutions. When different perspectives and backgrounds come together, we challenge assumptions and uncover new possibilities for creating value. We firmly believe that a diverse workforce, supported by an inclusive and equitable work environment where people can express themselves authentically and ideas flow freely, leads to more relevant and impactful solutions for our customers. Our Diversity, Equity, and Inclusion (DEI) efforts are essential to sustaining the success of Nedap and improving the well-being and engagement of our people.

Our DEI focus areas are:

1 *Inclusive leadership*

We foster a culture of openness and acceptance by promoting cross-cultural understanding, with leadership serving as role models. We promote diverse representation across our organization, and we strive to build a diverse leadership team. We provide tailored support to help women advance, especially into leadership roles, and align female representation in leadership with the overall workforce.

2 *One global team*

We aim to foster collaborative and equitable partnerships across all business units and offices worldwide, embracing cultural differences to create an inclusive work environment. We expect our employees to embody our core values while acknowledging the cultural, societal, and geopolitical context of each region we operate in. Our commitment to equity extends to enhancing opportunities for women, remote workers, and neurodiverse colleagues while actively cultivating diverse local leadership teams.

3 *Transparency*

We contribute to equitable opportunities by improving transparency and removing bias in internal hiring, promotion, and decision-making. We seek to promote effective communication through the standardized use of English when appropriate.

1.4 Sustainability

At Nedap, we make decisions with a long-term perspective. Our culture and purpose guide the actions we take today to shape our future: an organization where sustainability is business as usual, positive impact comes naturally from executing our strategy, and we take responsibility for our environmental footprint throughout the value chain.

This annual report provides insight into what sustainability means for Nedap, from our business model to specific measures related to environmental, social, and governance topics. Our policies, actions, and reporting are closely aligned with the material sustainability matters identified through our Double Materiality Assessment (DMA). We provide detailed information on the DMA and our performance per material topic in [chapter 8 Sustainability statement](#).

The figure below shows the link between our focus areas and (material) sustainability matters.



Environment

Through our forward-looking solutions, we empower customers to adapt to a changing world. Our products are designed to grow with customer needs and enable more sustainable business models. We hold ourselves to the same high standard, integrating sustainability into our own operations with an ambitious goal of achieving net-zero greenhouse gas (GHG) emissions by 2030. Our sustainability strategy is therefore twofold: to support customers in becoming more sustainable while reducing the environmental footprint of our own products and operations. It is powered by our people, whose talent and diverse perspectives propel us forward.

Tomorrow in Motion

In 2025, we introduced our Nedap sustainability story: Tomorrow in Motion. This story articulates our view of sustainability as inherent to creating Technology for Life. It also articulates how, as part of our company culture and way of working, we support customers in becoming more sustainable. Tomorrow in Motion encompasses three principles: Technology for a changing world, Sustainable by default, and Sustainable operations.

Technology for a changing world

Our strategic focus is on delivering lasting value by developing Technology for a changing world. We combine our technological expertise and deep knowledge of our customers and markets to create highly relevant solutions. These solutions deliver value today and address future needs – from doing more with less to lowering GHG emissions and reducing waste.

Sustainable by default

We are committed to designing better products with the lowest possible environmental impact. This commitment is reflected in the principle of Sustainable by default. We look for improvements across every step of the product journey. We assess the impact of material choices, identify opportunities to reduce energy consumption, and prioritize responsible recycling and disposal at end of life. Our focus is on creating long-lasting, energy-efficient products that are easier to maintain, repair, and recycle. We also design solutions that grow with our clients through software-enabled expansions and upgrades, ensuring continued relevance over time.

Targets and ambition

- Reduce our scope 3 GHG emissions from purchased goods and services and the use of sold products by 51.6% per euro of added value by 2030 from a 2020 base year.
- Increase the circularity of our products through sustainable product design and collaboration across the value chain.

Sustainable operations

We are on our way to net-zero for our own operations: our scope 1 and 2 GHG emissions from the use of our offices and production facilities and other activities under our direct control. While our direct impact represents only a small share of our total GHG emissions, reducing it to a minimum is nonetheless a key priority. We achieve this by electrifying our operations, generating and procuring renewable energy, and improving the energy efficiency of our buildings.

Targets

- Reduce our absolute scope 1 and 2 GHG emissions by 95% by 2030 from a 2020 base year.
 - Phase out the use of natural gas in our operations by 2030.
 - Phase out fossil-fuel-powered company vehicles by 2030.



Wouter Kaag *Product Manager Sense*

“Sustainable by default means designing better products first — and only compensating the remaining impact.”

“For a large rollout of our iD Top solutions in Southern Europe, we calculated the expected lifetime GHG emissions across production, transport, use and end-of-life. We then fully compensated these GHG emissions through CO₂ compensation. Because most of the footprint occurs during the use phase, we also introduced sleep modes and other energy-saving features in the firmware.”

Stakeholders and materiality

In 2025, we revisited our double materiality assessment (DMA) using updated knowledge and insights and reassessed the existing topics through the established scoring methodology. The outcomes were validated and further refined based on the results of a customer and supplier survey. This reassessment confirmed that ESRS E5-2 Resource outflows is no longer considered a material sustainability matter. Please refer to the table in subsection 8.3.2 Material impacts, risks and opportunities of [section 8.3 Material sustainability matters](#) for the outcomes of this process.

We will regularly review and reassess our material sustainability matters. As part of this process, we will also reevaluate the stakeholder landscape, ensuring that we capture diverse perspectives and focus on the issues most relevant to Nedap and our long-term value creation ambitions. We will use various engagement methods, such as surveys, interviews, and focus groups, to maintain an ongoing dialogue with our stakeholders. In doing so, we aim to create a feedback loop that fosters transparency and open communication, helping us advance our sustainability impact.



Stakeholder table

The stakeholder table outlines our key stakeholders, along with their respective engagement methods and ESG discussion topics.

Stakeholder	Interest	Influence	Impact	Strategies for engagement	ESG topics discussed
Employees	High	Medium	A two-way dialogue on ESG helps align employee values with sustainability goals while providing valuable feedback. It boosts engagement and encourages active participation, benefiting both employees and Nedap's ESG efforts.	Regular updates, involvement in decision-making processes, training and development programs.	Personal development, well-being & DEI, strategic updates, circularity of products, sustainability goals.
Customers	High	Medium	An open dialogue on ESG with customers helps Nedap align with their values, meet transparency expectations and stay competitive by addressing demands for sustainable practices while gaining valuable customer insights.	Customer feedback surveys, product demonstrations, business partner events, newsletters.	Product improvement, sustainability goals, customer satisfaction.
Investors and shareholders	Medium	High	Engaging investors and shareholders on ESG strengthens alignment with Nedap's sustainability goals and reinforces confidence in the company's long-term strategy.	Annual reports, shareholder meetings, financial performance updates, individual meetings.	Financial performance, strategic plans (e.g., Step Up!), DEI, progress on sustainability policy.
Suppliers	Medium	Medium	A two-way dialogue on ESG with suppliers ensures alignment with Nedap's sustainability standards while offering suppliers the opportunity to improve their practices and meet market demands for responsible sourcing. This collaboration fosters stronger partnerships and promotes mutual growth by building a more sustainable and resilient supply chain.	Regular communication, partnership agreements, performance reviews, supplier surveys.	Regulatory compliance (e.g., CSRD, GDPR), sector-specific regulations, ESG ambitions and goals.
End-users and consumers	Medium	Low	A dialogue with end-users and consumers ensures alignment with sustainability goals, enhances trust and gives consumers a voice in shaping responsible product use. This engagement encourages more sustainable behavior, benefiting both Nedap and its end-users and consumers.	Support services, newsletters.	Ways to raise concerns, end-of-life instructions.
Government and regulators	Low	High	Regulatory compliance.	Compliance reports, participation in regulatory consultations.	Compliance.
Media	Low	Medium	Public perception and brand reputation.	Press releases, media briefings, proactive communication strategies.	Progress on ESG topics.
Competitors	Low	Medium	Market competition.	Market analysis, competitive intelligence, strategic positioning.	

1.5 Strategic ambition & financial goals

We aim for structural growth to secure a leading position in our markets and create long-term value. In this section, we lay out our objectives for the period 2025-2028 as announced at Nedap's Capital Markets Day in 2024. One of the key principles of Step Up! is that we continuously and simultaneously work on strategy development and implementation. Our agility enables us to lead technical transformations and meet evolving market needs. At the same time, we have set a clear direction for our company and committed to ambitious targets for organic revenue growth, operating margin, and return on invested capital (ROIC). These targets are supported by our Create & Scale growth strategy. We report on our 2025 performance in [section 2.2 Progress on our strategy](#).

During Nedap's Capital Markets Day in 2024, we announced the following financial objectives for the period 2025-2028:

- *Revenue growth*
Achieve high-single-digit, organic revenue growth.
- *Operating margin*
Grow the operating margin, excluding one-off items, toward the mid-teens range.
- *ROIC*
Attain a return on invested capital of at least 30%.

Financial position

We rely on our financial strength to make the investments in our workforce, innovation, and commercial capabilities needed to achieve market leadership and deliver long-term value for people, the environment, and our customers. We strive for our financial position to meet the following criteria:

- Solvency rate of at least 50% and a net debt-to-EBITDA ratio of no more than 1.5. Temporary deviation from this target is possible for strategic reasons.
- Profits are paid out to shareholders, after deduction of the amount needed for investments in profitable growth and the intended financial structure.

2. Performance 2025



2.1 Market trends & developments

External developments shape the opportunities and challenges clients face. We continuously monitor trends to stay agile and create forward-looking solutions that help our customers stay ahead. By anticipating and responding to changing dynamics, we also ensure the resilience and continuity of our company. These include shifting customer needs, emerging (AI) technologies, changing compliance requirements, and a volatile geopolitical landscape.

Demographic developments

Across the world, structural labor shortages challenge organizations to transform their business models. In healthcare, the labor shortage issue is exacerbated by an aging population, which increases demand for care and shrinks the workforce. In livestock, dairy farmers face pressure to meet the growing demand for dairy despite limited labor availability. Retailers are struggling to meet their workforce needs, which compromises customer experience and business performance. Organizations face heightened security pressures, needing to safeguard people, buildings, and assets amid high staff turnover.

These developments create a growing need for automation. Meeting customer needs requires continuous investments in innovation, as well as a thoughtful approach to our platform solutions, where hardware and software solutions complement each other to optimize and automate processes. The integration of AI into our solutions will also open up new opportunities for automation.

AI

AI has the potential to transform how professionals work, improving efficiency, driving more informed decision-making, and enabling better outcomes. In healthcare, AI can reduce workload-related pressure and stress experienced by healthcare professionals by streamlining and automating administrative tasks. At the same time, the use of AI in healthcare is subject to heightened regulatory, ethical, and societal scrutiny. In Europe, the regulatory framework for AI in healthcare is evolving and emphasizes safety, transparency, and accountability. As a result, integrating AI into our technologies requires careful consideration and robust risk management. At Nedap, we develop AI-enabled features in a responsible and controlled manner, with a focus on transparency, security, and long-term trust. We also actively engage in dialogue with policymakers to help shape an innovative climate that supports responsible AI adoption in healthcare.

Geopolitical landscape

The geopolitical landscape remained volatile, causing uncertainty and impacting global business. In 2025, the impact of US tariff policy on Nedap was limited. Demand for our products in the US has remained solid.

Our subscription-based services make us more resilient, with lower one-off costs and lower risk for customers. Nedap's organization-wide focus on bringing supply chains closer to the customer also contributes to our resilience. For the Security business unit, ongoing geopolitical tensions drive consistent demand for access control systems that protect people, buildings, and assets.

Compliance and risk

Regulation continues to change, and requirements differ by region and industry. Keeping up with these changes requires ongoing attention and investments. Our security practices are aligned with well-established security frameworks and help us operate confidently in regulated markets.

At EU level, the Network and Information Security Directive (NIS2) has entered into force, although various member states, including The Netherlands, have not yet adopted national NIS2 transposition legislation. The Dutch cyber security law (“Cyberbeveiligingswet”; Cbw) is this proposed transposition law. The Cbw is expected to be adopted by the parliament in 2026, with possible phased implementation. Nedap closely monitors developments and is prepared for this new law to enter into force.

The EU AI Act introduces new rules for how AI systems are developed and used. Nedap has an AI policy in place that provides guidance on the responsible use of AI within the company and within our products. This policy supports decision-making that is consistent with the AI Act and other applicable laws and regulations.

In terms of data protection, we see a growing demand for local and regional data hosting. Nedap already supports hosting on European or sovereign cloud solutions. In certain regions, including parts of the Middle East, local hosting requirements may present challenges due to legal or operational constraints. We actively monitor these developments and work with customers to identify appropriate solutions.

2.2 Progress on our strategy

The combination of our Step Up! strategy and Create & Scale growth strategy resulted in revenue growth and strengthened our position in the four key markets. Our Step Up! strategy consists of two core elements: focusing our efforts where we can create the most value and leveraging knowledge and expertise across Nedap. In 2025, we zeroed in on Digital Twin Technology and SaaS-based solutions, delivering recurring impact for our customers. We also strengthened our organizational capabilities to support collaboration.

Our progress in 2025 included the establishment of the Nedap Leadership Team, as well as organization-wide initiatives on strategic topics. Key examples include talent development, technology and business model innovation, AI, and supply chain resilience.

This strategic alignment is essential as Nedap enters its next phase of growth. By creating a shared understanding of our priorities and impact, we are able to focus on the activities that create the most value. We are also more agile and better equipped to anticipate changing market dynamics, allowing us to move quickly to seize opportunities. These opportunities come from our enduring customer relationships and entrepreneurial culture, which bring new ideas for value creation and make it possible to pursue them.



Milestones

In 2025, we continued to meet milestones. Recurring revenue (revenue from software subscriptions (licenses) and services) continued to grow, reaching €111.5 million. Overall revenue grew by 11%. Growth in the key markets came in at 18%, with all four contributing to this development. Additionally, our operating margin improved by 180 basis points. Critically, we achieved this while keeping our investments in research and development at 20% of revenue. These investments support our ongoing efforts to build scalable solutions, with a well-balanced portfolio of Create, Scale, and Core.

In 2025, we:

- Grew our workforce by 33 FTE, reflecting investments in both our knowledge base and execution base.
- Expanded our client focus across our organization in line with our Create, Scale, Core model and emphasis on value delivery.
- Leveraged our Ons® Suite to facilitate the Dutch healthcare system's transition to network care, and continued developing our MediKIT solution for the general practitioner market.
- Expanded our customer base in Livestock, with an increase in the number of cows monitored on the Nedap Cow Monitoring Platform.
- Entered into new partnerships with major retailers in Retail, supporting the growth of our RFID Digital Twin Technology for automation and traceability within the retail market.
- Grew our Security business and scaled our digital twin solution Pace for physical identity and access management.

[Section 2.5](#) of this annual report includes additional information on developments in our markets.





Damian McCann *Sales Manager Security UK*

“With SaaS, access control shifts from one-off transactions to continuous value delivery.”

“In traditional access control, you might only speak to a customer once every 10 or 15 years, when they replace their on-premises system. With SaaS, customers renew every year – or even more frequently – which means value has to be delivered continuously. This pushes us toward long-term relationships, multi-year contracts and a strong focus on customer success rather than one-off deals.”

Progress on financial targets

As part of the Step Up! process, the following financial targets were set:

- 1 *Revenue that develops toward annual high-single-digit autonomous growth*
In 2025, revenue was up 11% compared to 2024. Growth in our key markets was 18%.
- 2 *An operating margin, excluding one-off items, that rises toward mid-teens*
In 2025, the operating margin reached 11.3%, compared to 9.5% in 2024.
- 3 *Return on invested capital (ROIC) that outgrows profitability*
ROIC grew to 37% in 2025 from 26% in 2024.



2.3 Progress on our people

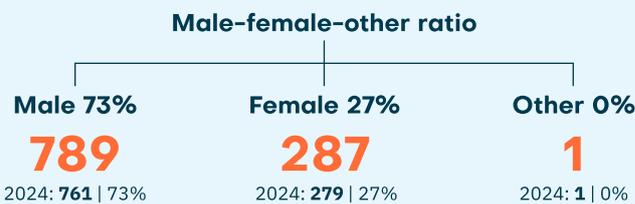
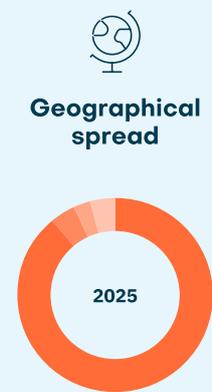
We have continued to professionalize how we support, develop, and mobilize talent across our organization. This is guided by a Nedap-wide people strategy that prepares us for our next chapter of growth. In 2025, we focused on creating the conditions for people to excel, our leaders to advance our strategy, and our organization to grow more resilient.



Key figures

The Nedap organization grew to 1,077 people (1,032 FTEs) in 2025, an increase of 3.4%. At 8.6%, the average turnover rate in 2025 was lower than last year (10.8%) and well below the industry benchmark of 14%. Our engagement survey conducted in September 2025 had a 71% response rate (in January 2025: 79%) and revealed an overall engagement score of 8.0, +0.2 points higher than the technology industry average (in January 2025: 8.1, +0.3 points higher than the industry average). The employee Net Promoter Score (eNPS) was 47 (in January 2025: 46), which is considered a healthy score.

Employees in 2025



Figures as of year-end 2025

Senior management
94% male 6% female

Board of Directors
67% male 33% female

Supervisory Board
40% male 60% female



- ≤ 25
- 26-35
- 36-45
- 46-55
- ≥ 56
- Netherlands
- Other Europe
- Asia Pacific
- North America

People strategy

Advancing talents and building capabilities

After launching the Nedap Learning Platform in 2024, we focused on expanding our portfolio of training content in 2025. The learning options roughly tripled in 2025, driving greater use of the platform. In January 2026, 42% of 433 Nedap employees who participated in our questionnaire reported spending at least 40 hours on their personal and professional development (in 2024: 42% of 547 respondents).

Our Nedap Academies, including Tech Academy and Leadership Academy, remained important to our strategy, with a stable curriculum of training programs to develop vital capabilities. These include expertise in core and emerging technologies with a focus on AI. Among the most in-demand Tech Academy programs in 2025 was Mastering Large Language Models.

The annual TechKnow event is an integral part of the Tech Academy. It is hosted for and by Nedap employees, with Nedap and external experts sharing their expertise through tech talks, workshops, and meetups. We hosted 245 employees at our TechKnow event in November 2025, with the theme “Unleash the future today.”

We established an AI Enablement Team in 2025 to drive AI adoption and optimize work processes using AI tools. By increasing our execution power, AI enables us to deliver more work faster. Developing an AI-ready workforce also creates opportunities for further enhancing our solutions.

Accelerating leadership and succession planning

Nedap is optimizing its leadership structure with a focus on strategy alignment, clear ownership and decision-making mandates, and diversity. In 2025, we introduced the Nedap Leadership Team (NLT) consisting of the Board of Directors, Managing Directors of each key market, and the General Counsel. The NLT strengthens accountability and speeds up decision-making.

We continued to build on our Nedap Leadership Framework. The framework sets out leadership profiles with clear roles, expectations, and behaviors, all based on extensive data and validated by our Leadership Circles. Our portfolio of leadership development programs, including our Leadership Academy, Leading Professionals program, and bespoke programs for our business units, supports leaders in developing essential leadership skills, including showing ownership, setting direction, and driving impact. By 2025, 85% of all leaders participated in at least one of our leadership development programs.

We continued to improve our approach to succession planning, assessing successors not just for business leadership and people and team leadership positions, but also expertise leadership roles. Succession planning secures continuity and contributes to our resilience.

Performance enablement

This year, we redesigned our performance enablement approach, providing leaders with tools and guidance to set direction and expectations while helping employees succeed and advance their careers with Nedap. In 2025, we launched a proof of concept with four pilot groups to test the design and model. The development and implementation of the Job Family Framework was a milestone in 2025. In collaboration with business unit leaders and team captains, we mapped positions to job families with clearly defined seniority levels, performance expectations, and development paths. These paths also provide insight into growth opportunities and lateral moves across the organization, supporting internal mobility. By doing so, we drive performance while giving our people greater visibility and control over their future at Nedap.

Diversity, Equity and Inclusion

At the end of 2025, the DEI team was made up of representatives from all markets and all major regions that Nedap is active in. These representatives are the eyes and ears of their teams, bringing ideas and concerns regarding DEI to the organization. They also work in subgroups on specific focus areas, actively keep their leadership informed about DEI, and help translate global policy into local initiatives.

We advanced our DEI objectives across all focus areas. As of 2025, gender balance is part of the focus area “inclusive leadership”.

1 *Inclusive leadership*

In 2025, we focused on strengthening the representation of women in leadership roles, in line with Nedap’s ambitions and growing external expectations. Building on insights from the Women Leadership Initiatives survey, we began developing a pilot program to empower women at Nedap and support their advancement. The pilot, set to launch in 2026, focuses on equipping women with the tools to grow as authentic and effective leaders. At the same time, we are examining systemic barriers that have prevented progress in improving female representation in leadership. This allows us to identify the changes needed to move the needle and create a more inclusive leadership climate. Finally, the introduction of an inclusive leadership training program in 2025 equips leaders to foster an inclusive and equitable workplace.

2 *One global team*

Our efforts in 2025 focused on fostering a sense of belonging for international colleagues and employees across various identity groups. We facilitated unconscious bias training and initiated research into interventions that help international colleagues, regardless of geography, feel more valued and aligned with Nedap’s strategic direction. In addition, we helped facilitate the establishment of employee resource groups: colleague-led communities built around shared identities and life experiences, with current groups focused on LGBTQ+ and neurodiversity. These groups strengthen belonging and create formal channels for employee input on Nedap policies and practices. By offering support, we actively encourage the formation of employee resource groups that represent the full spectrum of diversity within Nedap.

3 *Transparency*

We are embedding DEI principles into Nedap's hiring and promotion processes with a focus on transparency and equity. In 2025, we developed AI prompts for the generation of inclusive job descriptions. With these prompts, we support hiring managers in using inclusive language by default. Additionally, we launched new structural training programs to reduce bias in hiring and reviews.

In 2025, we also brought greater visibility to these DEI themes through a series of events. We celebrated International Women's Day, hosted a workshop on diversity in personality, and launched a Pride Awareness Campaign. These initiatives help foster important conversations across the organization.



Sanne Willems *Lead UX Mobile Healthcare*

“Diversity starts to matter when people feel safe enough to be different out loud.”

“Sharing my story about ADHD on stage was exciting, but the most meaningful moments came afterwards, when colleagues said: ‘I recognize this, I just never dared to say it.’ That is exactly why employee resource groups and DEI events matter. They create spaces where people can say: this is who I am, this is what I need to do my best work. When we lower that threshold together, we stop designing for an ‘average’ that doesn’t exist and start building a workplace that works for real people – and that benefits individuals, teams and Nedap as a whole.”

Target

Achieve female representation in senior management by 2028 that aligns with the overall gender ratio of Nedap in 2023 (27%).

In 2025, women made up 6% of senior management, compared to 27% of the overall workforce. Our definition of senior management can be found in subsection 8.9.4 Senior management in [section 8.9 Sustainability notes](#).

Based on developments in 2025, Nedap notes that achieving this target is under pressure. In particular, at the level just below senior management, the inflow and advancement of female leaders remain limited, and Nedap's internal succession pipeline shows insufficient momentum. In addition, due to low natural turnover in leadership positions, changes occur gradually, meaning progress depends heavily on occasional vacancies and external hiring.

Nedap has also set a gender diversity target for the Board of Directors, aiming for at least one-third male and one-third female representation. For the NLT, Nedap aims for a female representation that aligns with Nedap's overall gender ratio. For the Supervisory Board, we adhere to the statutory requirement of at least one-third male and one-third female representation. At the end of 2025, our Board of Directors consisted of one woman and two men, the NLT comprised two women and six men, while our Supervisory Board included three women and two men.

Target percentages remain an important guide for Nedap, provided they are viewed in conjunction with the effectiveness of inflow and advancement mechanisms. In 2026, Nedap will therefore recalibrate its governance framework for diversity in leadership, distinguishing between the Board of Directors, the NLT, and senior management, with a stronger focus on concrete and predictive indicators for inflow and advancement.

2.4 Progress on our sustainable impact

We advanced our sustainability strategy in 2025 with a focus on reducing greenhouse gas (GHG) emissions from our own operations, reducing product GHG emissions in the production and use phases, and engaging with our customers and suppliers around their sustainability challenges. Our performance in 2025 shows we can make meaningful progress, even amid external challenges.

Our sustainability strategy has been successfully implemented and embedded across our organization. Our sustainability team continued to support the business units in executing their strategy with a focus on designing products for durability, energy efficiency, and circularity.

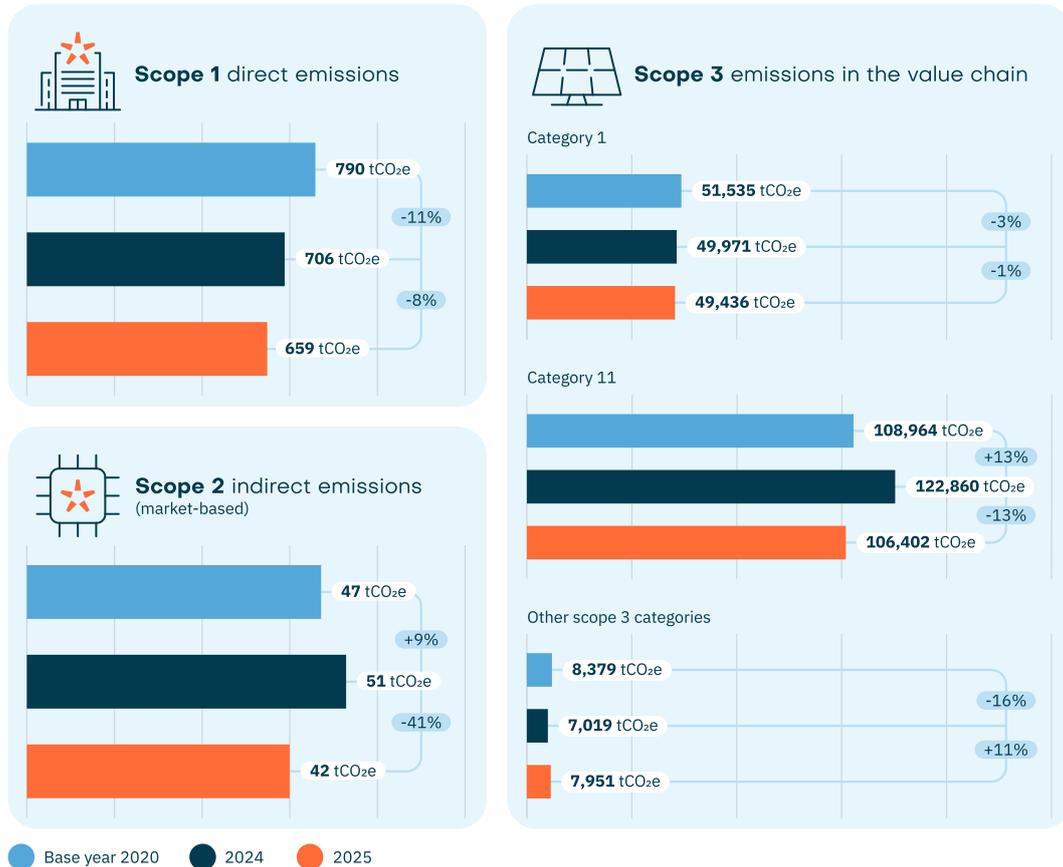
Additionally, we moved ahead in making our own operations more sustainable. The publication of our first sustainability statement, prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD), was a milestone for Nedap. Beyond compliance, this process equipped us to accelerate our sustainability efforts by establishing Nedap-wide and business unit strategies, implementing robust data-collection and analysis processes, and developing monitoring and reporting protocols. We have created a solid foundation for advancing our sustainability objectives, and we continue to standardize and automate our processes to improve our performance.

In this chapter, we present a high-level overview of our sustainable impact in 2025. For additional information, we refer to [chapter 8 Sustainability statement](#).



Overview of our GHG emissions

To provide insight into our climate impact and progress over time, the figure below presents an overview of GHG emissions across scope 1, 2, and 3. It shows our GHG emissions trend and the effect of the measures we have taken, reflecting our strategic focus on reducing GHG emissions across our operations, products, and value chain.



Sustainable by default

Target

- Reduce our scope 3 GHG emissions from purchased goods and services and the use of sold products by 51.6% per euro of added value by 2030 from a 2020 base year.

We can achieve meaningful reductions in our scope 3 GHG emissions by lowering our product use GHG emissions and by designing products with lower GHG emissions in the production phase. Measures to achieve this include strategic, portfolio-level decisions such as prioritizing SaaS business models, as well as product-level improvements like integrating energy-saving features and selecting more energy-efficient components for products with relatively high GHG emissions compared with the added value they provide for our customers. In 2025, our business units continued to implement and refine these GHG emissions reduction measures, supported by insights from life cycle analyses (LCAs).

We measure our progress toward this target by tracking reductions in our scope 3 intensity-based GHG emissions. Our SBTi-validated target requires a 7% annual reduction from our 2020 baseline. In 2025, we achieved this goal. This was driven by an increase in our added value and a significant decrease in use phase GHG emissions (category 11), as high-emissions products made up a smaller share of sales.



Ambition

- Increase the circularity of our products through sustainable product design and collaboration across the value chain.

In the updated Double Materiality Assessment (DMA) in 2025, the subtopic resource outflows under ESRS E5 did not meet the materiality threshold. Business units tailor their approach to their markets, taking into account the nature of their products (including end-of-life considerations) and customer expectations. Current initiatives include conducting and learning from pilots with value chain partners, evaluating product recyclability in practice, and driving value chain transparency through product data. Details on our DMA update are provided in [chapter 8 Sustainability statement](#).

Nedap has also implemented a company-wide packaging policy aimed at reducing packaging volumes and promoting the use of recyclable or reusable materials. In addition, the development of a GPT-based tool supports designers and engineers in making informed design choices during product development.

Nedap remains an active partner in the Circular Circuits research project, an initiative by TU Delft with funding from the Dutch Research Council ("Nederlandse Organisatie voor Wetenschappelijk Onderzoek"). Through this project, we have established valuable connections with companies and organizations across our value chain. In 2025, we began collaborating with a recycling company for the shredding of hardware products at the end of their life cycle. This is a learning partnership aimed at identifying the best methods to recover and repurpose materials used in our products, rather than disposing of them.

Customer initiatives

We work closely with our customers to identify opportunities for making our solutions better and more sustainable. In 2025, we conducted a customer and supplier survey on sustainability. Participants were asked to review our material sustainability matters and identify any gaps. We have used these insights to refine our DMA and sustainability strategy.

Additionally, we asked our customers and suppliers about the importance of sustainability to their organization, the topics that are most relevant to them, and opportunities for Nedap to contribute to their sustainability objectives. The importance of meeting certain standards or acquiring specific certifications was also addressed.

The survey showed that partners value sustainability and expect Nedap to support them by providing clear information and practical solutions. They want greater insight into product impact and supply chain transparency, support for reducing GHG emissions and improving energy use, and circular solutions such as take-back programs. Partners also value the use of more sustainable materials and closer collaboration across the value chain. Social topics are acknowledged as important but play a smaller role within partnerships. Overall, partners affirm our direction and encourage continued progress in terms of transparency, evidence, and collaboration. We will use these insights to better align our approach and solutions with customer expectations and needs.



Tom Seesing *Head of Future Ready Supply Chain Initiative*

“By organizing our supply chain around shared processes, we unlock expertise that used to sit in silos.”

“If we want to reduce our footprint across the value chain, we must first reduce complexity within our own organization. Working with shared processes instead of separate business units enables better data-driven decision-making, more efficient collaboration with suppliers, and the simplicity needed to automate, standardize, and ultimately accelerate our sustainability impact.”

Sustainable operations

Targets

- Reduce our absolute scope 1 and 2 GHG emissions by 95% by 2030 from a 2020 base year.
 - Phase out the use of natural gas in our operations by 2030.
 - Phase out fossil-fuel-powered company vehicles by 2030.

We are working toward net-zero GHG emissions in our own operations (scope 1 and 2) by 2030. We express GHG emissions in CO₂ equivalents (CO₂e). In 2025, we continued to implement our sustainability policy through improvements to our buildings, such as adding insulation and triple glazing. The further electrification of our buildings needed to phase out the use of natural gas was hampered by grid congestion. As such, we did not install additional solar panels, heat pumps, or charging points for electric vehicles (EVs) in 2025. We did, however, advance plans for the installation of battery storage systems. These systems store unused solar energy for use during peak demand periods, such as very cold or warm days requiring additional heating or cooling.

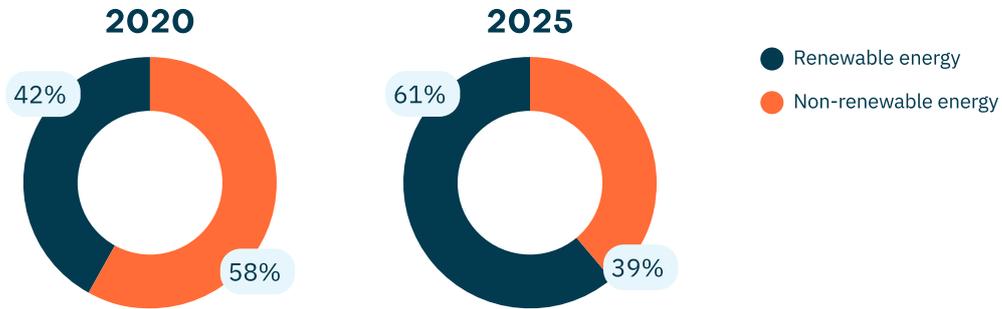
Our gas consumption remained at approximately the same level compared with 2024. Total gas consumption increased in the first half of 2025 due to low temperatures. Gas consumption for our production facilities was 50% lower than in 2024 as a result of sustainability improvements. This helped limit the impact of the cold spring. The figure below shows the downward trend of our gas consumption since 2020, with the exception of 2021 due to a cold spell. Despite the leveling off in 2025, our target remains achievable. Weather conditions, grid capacity, and the installation of battery storage may influence the timing of reaching our goals.

	2020	2021	2022	2023	2024	2025
Average number of FTEs	741	775	829	921	996	1,019
Scope 1 and 2 GHG emissions per FTE (market-based, in kgCO ₂ e)	1,129	1,255	992	936	761	688

Our total scope 1 and 2 GHG emissions decreased compared with 2024. The 8% decrease in scope 1 GHG emissions resulted from the installation of heat pumps, as well as the implementation of our policy to only lease non-fossil-fuel-powered vehicles.

GHG emissions (tCO ₂ e)	2020	2021	2022	2023	2024	2025
Scope 1 Stationary combustion	393	512	319	280	250	265
Scope 1 Mobile combustion	397	415	457	484	416	390
Scope 1 Refrigerants	-	-	-	50	40	4
Scope 2 Purchased electricity (market-based)	47	46	47	48	51	42
Total scope 1 and 2 (market-based)	837	973	823	862	757	701

As of 2025, we lease almost exclusively EVs. This is consistent with our policy and ensures that we will have phased out fossil-fuel-powered company vehicles by 2030. By the end of 2025, 69% of our fleet was electric or hybrid (in 2024: 57%).



In 2025, we submitted our science-based targets to the Science Based Targets initiative (SBTi) for validation. In November 2025, we formally obtained SBTi validation.

Looking ahead

The validation of our GHG emissions targets by SBTi confirms that our climate transition plan is ambitious and realistic and meaningfully contributes to the Paris Agreement climate goals. Our commitment to our GHG emissions reduction goals means we will continue to act on all decarbonization levels at our disposal. Our strategic focus on Digital Twin Technology and SaaS models will drive the ongoing reduction of our scope 3 intensity-based GHG emissions. Achieving our scope 1 and 2 objectives rests on our ability to execute our planned measures. With grid congestion imposing constraints, we will continue to push forward on reducing our energy consumption and maximizing our usage of self-generated energy, enabling the further electrification of our operations.

The outcomes of the stakeholder survey will drive additional initiatives. Compliance is expected to play an important role in the coming years, both for Nedap and our customers and suppliers. Preparing our IT systems and data processes is essential to ensuring accurate reporting and compliance with evolving regulations and to obtaining essential certifications.

2.5 Key markets

Healthcare

In Healthcare, Nedap develops and markets SaaS solutions and care technology products that support healthcare institutions in the Netherlands in planning, registering, and administering care processes. With our solutions, we work toward a sustainable healthcare system.

Market developments

The Dutch healthcare system will undergo a major transition over the coming years. Growing demand for care, combined with fewer people to provide it, requires a shift toward an interconnected healthcare system and coordination and collaboration among professional and informal caregivers. This shift will be supported by interoperable and standardized technology.

While the shift to this new operating model for delivering and coordinating healthcare, known as network care, is still in its early stages, progress is accelerating. Network care depends on seamless information exchange among care providers, with general practitioners (GPs) playing a crucial role as gatekeepers and care coordinators.

There is also an urgent need for solutions that relieve pressure on healthcare professionals and make their work more meaningful. AI can support this by automating administrative tasks and optimizing workflows. The current regulatory landscape for integrating AI into healthcare solutions requires a careful approach.





Marjolein Tibbe *Director Connected Care*

“By securely connecting health records across the care chain, caregivers can act faster and spend more meaningful time with clients.”

“Network care is becoming a reality, where the right information reaches the right professional at the right moment, regardless of which organization provides the care. Secure data exchange gives caregivers confidence in their decisions and enables true collaboration across the healthcare ecosystem. That is the real value of network care, and it is exactly what we are building together.”

Highlights

Nedap maintains a leading position in elderly care, disabled care, mental healthcare, and domestic help in the Netherlands. In 2025, we strengthened our market position in all sectors, with notable gains in the disabled care and mental healthcare sectors. We also entered the youth care sector. Given the significant overlap with disabled care and mental healthcare, the addition of youth care enables us to enhance service quality for existing customers. It also aligns with our strategic focus on network care.

Our Ons® Suite continues to be the leading contributor to revenue and performance. Among existing customers, we observed the expanded use of our Ons® Suite, both in the number of users and adoption of functionalities. Ons® Platform has contributed to this growth. Customers value the ability to seamlessly integrate vetted third-party software, preventing duplication of work and reducing operational complexity. Through Ons® Platform, Ons® Suite can be extended with a range of software applications, including AI-enabled services such as agentic voice communication and speech reporting. These secure services transform speech into accurate and high-quality reports, reducing the administrative burden for healthcare providers.

The scaling of MediKIT and Luna was also a factor in our revenue growth. The adoption of MediKIT by large GP organizations shows confidence in our solution and helps move the transition to network care forward. Luna, an electronic day calendar that helps people with cognitive disabilities manage activities of daily life, experienced rapid growth. Insurance coverage for Luna combined with our readiness to scale resulted in widespread adoption.

Mandy Wolfs *Nurse, Flex Pool, Liberein*

“Everything is linked to the client.”

“The physiotherapist, the occupational therapist, the speech therapist, the doctors – every care professional around the client has access. This allows us to communicate quickly with one another.”

Organization

We continued to execute our strategic roadmap in 2025, with facilitating the transition to an integrated healthcare system as a central theme. The roadmap was developed with input from customers and sector organizations and provides visibility into our development priorities in the years ahead, supporting alignment across the healthcare ecosystem.

Operationalizing Nuts for secure data exchange

As a co-founder, Nedap helped develop Nuts: an open-source platform that enables healthcare providers in the Netherlands to exchange data securely. This infrastructure is built on trust, interoperability, and open standards. In 2025, we operationalized Nuts by making several core functions available. These include identification, authentication, consent management, and localization, enabling healthcare data to be shared easily, quickly, and securely among care providers. Additionally, we implemented an evening, night, and weekend care function for regional healthcare collectives, supporting regional collaboration and personnel exchange during off-peak hours.



Florian Boschker & Lisanne Kok *Head of Care Tech & Legal Business Partner*

“By rethinking how Luna is offered, we removed weeks and sometimes months from the onboarding process.”

“Every new care technology comes with legal and regulatory guardrails. With Luna, we deliberately removed as many formal hurdles as possible without compromising those safeguards. As our first care technology product to truly scale as hardware-as-a-service, a smooth and fast onboarding process is essential. This allows care organizations to deploy Luna more quickly and at greater scale, enabling them to organize care differently and use scarce capacity more intelligently. Solid in the background, simple at the front — that is how technology can make a real difference in people’s daily lives.”

Outlook

We expect to continue our upward trajectory in 2026. Our strengthening market position brings both opportunity and responsibility. We will continue investing in the quality, stability, and scalability of our Ons® Suite, recognizing its role as critical infrastructure in the Dutch healthcare system. By prioritizing client-centric product enhancements, we aim to accelerate the adoption of MediKIT. At the business unit level, we will explore how we can better align our business model with the network care vision. The goal is to make our solutions accessible to a larger target group, so that we can drive meaningful change across the entire healthcare sector. Our revenue outlook is positive, and we have set ambitious growth objectives.

Network care remains a priority. As an active participant in the Nuts initiative, we will continue to expand secure data exchange across healthcare organizations. True to our purpose of Technology for Life, we will choose the best and most just way forward, going beyond developing reliable technology to create highly relevant and effective solutions. Part of our role is to advocate for innovation in healthcare, including through dialogue with policymakers at both European and national level to help shape the regulatory framework. The European Health Data Space (EHDS) is one development we are monitoring, as it may offer new opportunities for innovation in healthcare data management.

Livestock

In Livestock, Nedap develops technological solutions for the dairy farming industry worldwide. Alongside our network of global and local business partners, we serve dairy farmers with sensor-based cow monitoring and management solutions that improve life on the farm.

Market developments

Market conditions improved in 2025. Dairy farmers experienced higher milk prices and relatively lower costs, positively impacting investment appetite. This pattern was largely consistent across the world, with the exception of China. Economic challenges there continue despite initial signs of improvement. Tariffs and other changes in international trade dynamics had a limited impact on our performance.

With global milk demand expected to increase by 50% by 2050, the dairy industry needs to increase milk production while simultaneously navigating labor shortages, sustainability pressures, animal welfare, and compliance. This is prompting dairy farmers to rethink their operating model. We observe a move toward consolidation, resulting in larger dairy farms. The need to do more with less is driving the automation of repetitive tasks, and real-time data is becoming crucial to managing operations. As a result of these developments, the adoption of cow monitoring is accelerating, unlocking the potential of Digital Twin Technology to address dairy farmers' biggest challenges.



Highlights

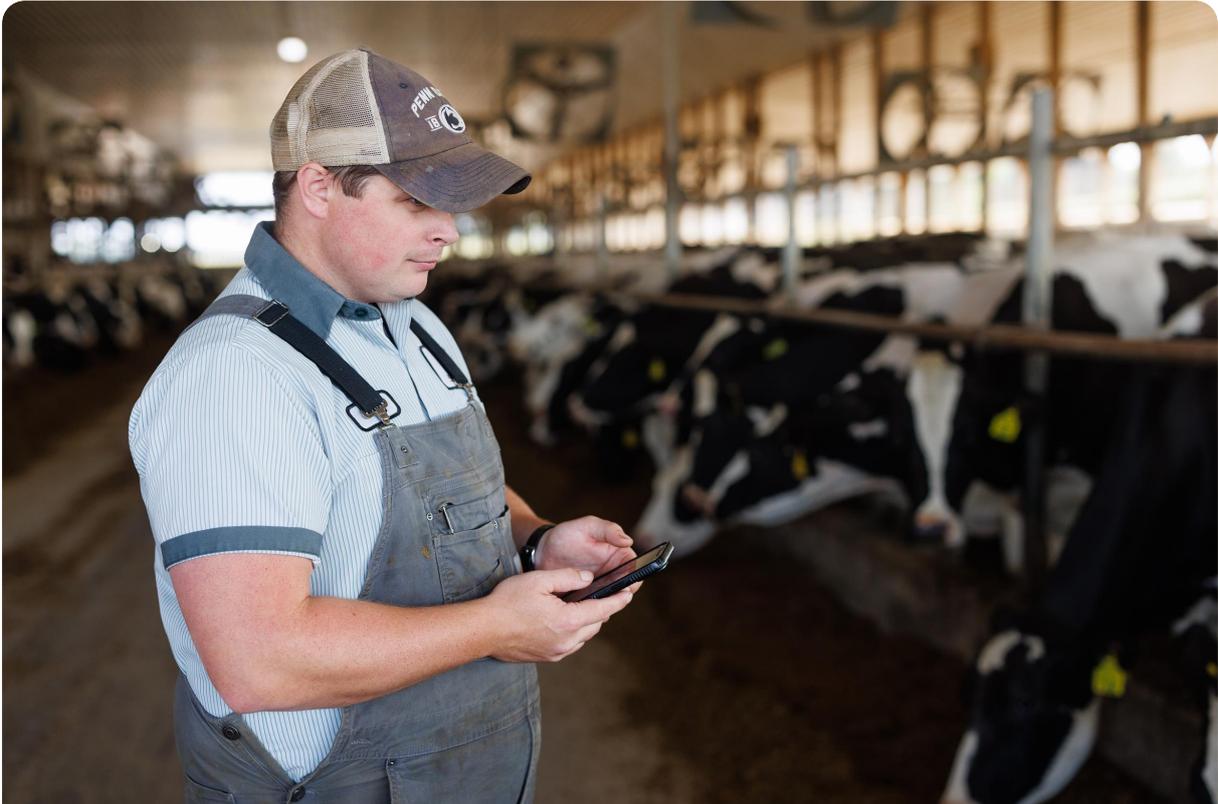
Revenue increased in 2025 driven by favorable market conditions, improved investment appetite, and a portfolio that meets the needs of dairy farmers globally. Overall revenue growth was outpaced by the growth in recurring revenue due to the adoption of as-a-service solutions such as SmartSight.

The expansion of our SmartTag range with SmartTag Ear has brought more farmers access to our proven technology, strengthening our market position. Our SmartSort sorting gate, which continued to gain traction in 2025, also increased SmartTag demand as the solutions work together to turn insight into action. Our boots on the ground approach with local teams supporting business partners and end-users contributed to customer satisfaction and success, an important factor in the adoption of our solutions.

The new and fully automated SmartTags production facility located at our Nedap Campus in the Netherlands is nearing completion. The facility will enable us to scale and speed up production as demand for our SmartTags grows.

We made significant investments in the Nedap Cow Monitoring Platform, establishing an integrated, modular platform that connects our sensors, insights, and automation tools to create unique solutions. Our platform focus in 2025 positions us to deliver greater value for business partners and dairy farmers while growing the value we capture per cow monitored on our platform.

The introduction of SmartSight marked an important milestone in 2025. SmartSight is an AI-driven innovation that uses computer vision to deliver actionable insights on cow health. The first application is Locomotion Monitoring and is used for early detection of lameness, which is one of the most costly and challenging issues in dairy farming. The launch in early October 2025 followed years of development and testing in close collaboration with dairy farmers. At the end of 2025, SmartSight was monitoring more than 50,000 dairy cows. The integration of SmartSight technology into our cow monitoring platform unlocks new valuable functionality for farmers, who have more tools and insights at their disposal to optimize the well-being and performance of each individual cow.



Greg Kowalewski *Herd manager Aurora Oakwood Dairy*

**“We’re finding cows much quicker,
reducing stress and keeping milk in
the tank.”**

“Our philosophy is to create a healthy and safe environment for our cows and the people who work here, while providing a nutritious, high-quality product and taking care of the land. Technology plays a key role in achieving these goals. Nedap SmartSight monitors each cow’s locomotion three times a day, allowing us to detect issues earlier and prevent severe lameness. That saves time, improves animal welfare and supports consistent milk production.”

Organization

Our efforts to create a scalable organization with distinct teams and focus areas have proven effective. One focus is on helping customers maximize the value from the Nedap Cow Monitoring Platform with support from our local teams and partners. Another is on validating growth opportunities and developing minimum viable products. This approach ensures we optimize customer outcomes today while developing new solutions for future needs.

As a future-ready supply chain is essential to achieving our growth objectives, we advanced our supply chain initiative to maximize the availability and quality of our hardware products.

Outlook

We are well positioned to build upon our success, while recognizing that market conditions in 2026 are expected to become more challenging due to lower milk prices and geopolitical tensions. At the same time, labor shortages, regulatory pressure, sustainability expectations, and animal welfare standards continue to drive the need for greater efficiency, accelerating the adoption of cow monitoring and automation.

Our sales pipeline remains robust, and our focus remains on executing our platform strategy by combining sensors, software, and automation to reduce workload, improve efficiency, and enhance individual cow welfare. The distinctive value delivered through cow monitoring continues to drive adoption of SmartTag and our broader portfolio, while we expand Locomotion Monitoring and develop new SmartSight use cases.

Supported by an established global and local business partner network and teams close to the customer, we believe we are well positioned for the year ahead. While short-term market conditions may remain volatile, the long-term outlook remains positive.

Retail

In Retail, Nedap develops innovative inventory management solutions and serves retailers globally. Our Digital Twin Technology turns real-time data from across the retail chain into operational insights. With these insights, retailers drive sales, lower costs, and reduce losses, all while delivering seamless omnichannel retail experiences.

Market developments

The global retail market developed positively in 2025, marked by increasing investment appetite across all our regions. This was particularly evident in North America, with more retailers pursuing large-scale innovation projects.

Customer demand remains centered around inventory visibility, omnichannel retail, and the automation of core processes. Retailers are automating processes to adapt to a tight labor market and high employee turnover, and to maintain high-quality shopping experiences with leaner teams. Examples include the introduction of overhead readers to replace manual counts, as well as the adoption of self-checkout solutions.

Among fashion retailers, self-checkout solutions gained significant momentum in 2025. This service has become a customer expectation across many retail categories. At the same time, retailers benefit from improved operational efficiency and customer flows.

Lauren Morr *Senior Vice President Digital Operations, Abercrombie & Fitch Co.*

“Inventory visibility is essential to delivering a seamless customer experience across both our digital and physical stores.”

“We chose Nedap not only for their advanced technology, but also for the depth of expertise within the iD Cloud community. Through this partnership, we are increasing our inventory accuracy and visibility, enabling more efficient and reliable operations.”

Highlights

Both overall and recurring revenue grew in 2025 compared with 2024. We closed new enterprise contracts with leading retailers, including Abercrombie & Fitch, Capri Group, Hema, and Aritzia, and we renewed contracts with Celio, lululemon, Mountain Warehouse, and Under Armour.

Our traditional RF systems remain a stable driver of our business. Targeted investments in our iSense operating system ensure that our RF solutions continue to meet the needs of our customers, with new software-based features that do not require additional investments in hardware. Meanwhile, the transition from RF to RFID is accelerating. Our iD Cloud platform addresses the growing demand for integrated inventory management solutions, with RFID as a foundational technology. In addition to iD Cloud Store, we see the steady, continued adoption of iD Cloud Supply Chain for item-level visibility across the supply chain.

We accelerated the development of our fixed RFID overhead solution for continuous, automated inventory tracking. This solution provides real-time insight into product availability and location, enabling retailers to proactively replenish their stock, improve in-store availability, and reduce excess inventory. The ability of the overhead solution to drive sales, lower costs, and improve the experience of customers and staff makes scaling this solution a strategic priority.

In response to customer feedback, we began providing early access to new software releases. By doing so, we support our enterprise customers in the seamless implementation of software updates, allowing sufficient time for testing and training.

Our point-of-sale and self-checkout RFID solutions, iD POS Pro and iD SCO Pro, went live in 2025. Five global retailers are participating in a large-scale proof of concept. One retailer launched self-checkout in several of its new flagship stores. Leveraging our deep understanding of customer needs and expertise in both RF and RFID technology, we developed a solution compatible with both technologies. Instead of migrating from RF to RFID all at once, our solution allows for a gradual transition by automatically deactivating RF-based tags at checkout. This significantly improves the business case for retailers. Following the successful proofs of concept, we are prepared to scale these solutions in the year ahead.





Danny Haak *Head of Tech Retail*

“By automating stock visibility with overhead readers, we combine better data with fewer manual tasks.”

“Continuous inventory is more than just a convenient way of counting stock. It removes the need for store staff to walk the shop floor weekly with handheld readers, freeing up time to focus on what matters most: helping customers. The proof of concept we ran in 2025 demonstrates how powerful this combination is for both operational efficiency and the in-store experience.”

Organization

We increased our focus on customer engagement in 2025. With a dedicated North American team now in place alongside our European operations, we are able to support customers globally with the efficient deployment and adoption of our solutions. These teams work with our customers to optimize the performance of individual solutions, leverage our iD Cloud platform capabilities, and maximize their return on investment. At the same time, our new business teams remain essential to onboarding new clients onto the iD Cloud platform.

A recent deployment of our RFID-based EAS solution for a large supermarket chain in southern Europe led to the development of a new GHG emission compensation model for our solutions. The model covers GHG emissions from production to installation, as well as the equivalent of up to 10 years of energy consumption. We plan to develop this model into a customer offering. In addition to making our customers' business models more sustainable, it also serves as an internal incentive to further optimize the energy efficiency of our solutions.

Outlook

We aim for double-digit growth in recurring revenue, driven mainly by our increasingly integrated portfolio of solutions. Our solutions work standalone or as part of an integrated inventory management platform that evolves with retailers' needs. This allows us to add more value for retailers, as well as increase customer lifetime value. Targeted investments in our Sense solutions, the scaling of our RFID-based POS and autonomous overhead solutions, and the onboarding of customers onto iD Cloud are priorities for the year ahead. Together, our solutions create a digital twin of the physical retail environment: a single source of truth that helps retailers operate with clarity and confidence. This is a key market differentiator and a significant opportunity for growth. For 2026, we expect continued revenue growth.



Security

In Security, Nedap develops access management solutions used by leading organizations to secure people, buildings, and assets. Beyond protection, our solutions support digital transformation by turning access points into data sources, generating insights that inform better business decisions and enhance the user experience. Nedap maintains a leading market position in Europe and the Middle East.

Market developments

The security market remained stable in 2025, with large organizations continuing to rely on Nedap for their access management needs. At the same time, we are guiding customers through the transition from traditional on-premises systems to cloud-native platforms. For many customers, this shift represents more than a technology upgrade. They see the value of our systems to advance their digital transformation programs, where security delivers both protection and intelligence. Access points and interactions with security assets become data sources, and the integration of AI and analytics capabilities turns that data into insights to improve forecasting, planning, and other business processes.

Customers also view security systems in the context of the user experience, considering how employees, visitors, and other building users such as patients interact with their spaces. They look to our teams to create solutions combining hardware and software to both meet their security requirements and create a seamless experience for building users.

Highlights

Revenue increased in 2025 compared with 2024. Our on-premises access control system AEOS remains a stable driver of our business. The integration of the Nedap reader portfolio into the Security business unit has strengthened our commercial capabilities and provided new avenues for growth.

Recurring revenue as a share of total revenue continued to grow. With the scaling of cloud-based solutions including Access AtWork, Pace, and Mobile Access, we expect this trend to accelerate. Following the successful launch of Mobile Access in 2024, we initiated proofs of concept with several companies in 2025. These proofs of concept resulted in multiple long-term contracts, including a contract with ADNOC. Customers cite the frictionless experience that Mobile Access offers. The integration of Mobile Access with Google Wallet in 2025 has made our solution accessible to a larger customer base and accelerated adoption.

We continued to scale our physical identity and access management (PIAM) solution Pace. Our customers have been a valuable source of input. Their requirements, including the integration of credential and identity management into our PIAM platform, have informed our development efforts. The adoption of Pace in 2025 is evidence of the relevance of Digital Twin Technology for enterprise security management.

Within access control, AEOS maintained its position as critical security infrastructure. We remain focused on keeping the solution safe, secure, and reliable, ensuring long-term value for customers. At the same time, we supported customers in the transition to Access AtWork.



Michel Korthout *Technical Support Specialist*

“AI helps us combine speed and expertise without losing the human touch.”

“Our support teams see our products in action every day through partners and customers, and their insights are a key input for continuous product development. In 2025, we introduced an AI assistant that answers part of the incoming questions directly from our knowledge base, technical resources, and documentation. This gives customers fast and reliable responses, while allowing our engineers to focus on complex issues and the personal contact that truly matters.”

Organization

Customer centricity remains a hallmark of our business unit. As we diversify our business model from on-premises hardware to include SaaS, customers become a continuous source of insight, shaping how we deliver value. We are committed to maintaining a clear product and technology vision while remaining agile and responsive to customers’ evolving needs. The establishment of a SaaS commercial team in 2025 will support the alignment of product development with customer expectations moving forward.

Outlook

We are well positioned to seize emerging opportunities in the year ahead and expect continued revenue growth in 2026. Demand for our access control solutions remains robust, our Mobile Access pipeline is well-filled, and customer-centric enhancements to Pace are expected to accelerate adoption. Access AtWork will be expanded with features tailored to the mid-market companies and enterprises, expanding our reach. We are actively experimenting with the use of AI and data analytics to deliver both protection and intelligence through our access management solutions. As we continue to learn, test, and refine these capabilities, we are positioning Nedap not just as a security provider, but as a forward-thinking partner helping organizations optimize their operations and deliver seamless experiences.



2.6 Other solutions

UV

Nedap is a global leader in driver technology for UV lamps used in industrial curing and disinfection. UV system manufacturers use our technology to create energy-efficient and long-lasting UV treatment solutions. Within UV disinfection, these include systems for drinking and wastewater treatment, as well as ultrapure water systems for the microelectronics and semiconductor industries. The importance of UV disinfection in meeting increasingly strict water quality standards indicates the long-term value potential of our technology.

Nedap's UV lamp driver technology is also used in industrial curing systems, which provide a safe and environmentally friendly alternative to chemical agents for the curing of substances such as ink, coatings, and resins.

In 2025, revenue decreased compared with 2024, when revenue was higher than expected. Based on current insights and ongoing customer engagement, we expect demand to increase again in 2026. The continued relevance of our UV driver technology in existing categories supports our confidence in further growth potential.

Other developments

We finalized the offboarding of Nedap Flux customers. Following the 2023 decision to scale down the solution, we assisted all customers in transitioning to other providers. The scaling down of the Pigs solution was nearing completion by the end of 2025.



2.7 Financial affairs

Key figures

(In € x 1M or as a percentage)	2025	2024	Growth
Revenue	279.8	251.6	11%
Recurring revenue	111.5	100.2	11%
Added value as % of revenue	73.2%	71.5%	
Operating profit	31.7	23.9	33%
Operating margin ¹	11.3%	9.5%	
Profit for the financial year	24.6	18.5	33%
Earnings per share (€ x 1)	3.72	2.82	32%
Dividend per share (€ x 1)	3.70	3.20	
	31/12/2025	31/12/2024	
Net debt-to-EBITDA	-0.1	0.3	
Solvency	66%	61%	
ROIC ²	37%	26%	

¹ Defined as operating profit expressed as a percentage of revenue.

² ROIC represents operating profit divided by invested capital (fixed assets + net working capital).

Revenue

Revenue for 2025 amounted to €279.8 million, which was 11% ahead of 2024 (€251.6 million). Revenue in our key markets increased by 18%.

All key markets showed revenue growth. Healthcare saw continued high demand for its solutions. Livestock recovered well from slow market conditions in 2024. Retail scaled its RFID solutions, notably in Europe and the US. Security saw robust growth in demand for its access control solutions.

Recurring revenue rose by 11% to €111.5 million (in 2024: €100.2 million), comprising 40% of revenue (in 2024: 40% of revenue). This growth was supported by improved market conditions and a relevant offering in all key markets.

Added value was up from €179.9 million in 2024 (71% of revenue) to €204.7 million in 2025 (73% of revenue, an increase of 170 basis points). This was driven by higher revenue, reflecting our focus on value-adding solutions. Added value per FTE increased from €181 thousand per FTE in 2024 to €201 thousand per FTE in 2025. As we continue transitioning to SaaS business models, this metric may decline in the midterm, reflecting the longer value realization timeline inherent in the financial model.

Operating costs

Total operating costs grew by 11%, from €156.0 million in 2024 to €173.0 million in 2025.

This resulted largely from an increase in personnel costs from €114.8 million in 2024 to €127.9 million in 2025. In line with our long-term objectives, we invested in people to support our Create & Scale strategy in our key markets. The number of FTEs increased from 999 at the end of 2024 to 1,032 at the end of 2025. In addition, overall personnel costs per FTE have increased by around 9%. This stems from annual wage increases under collective agreements, as well as annual appraisals and role progression. Additionally, there was an increase in both employee settlements and profit sharing.

Other operating costs went up from €30.5 million in 2024 to €32.8 million in 2025, mainly as a result of decreased capitalization of development costs. Marketing and sales costs were broadly in line with 2024.

Foreign exchange differences amounted to a loss of €0.4 million in 2025, compared to a gain of €0.1 million in 2024.

Depreciation increased from €9.9 million in 2024 to €10.2 million in 2025. Amortization amounted to €1.6 million (in 2024: €0.6 million), driven primarily by the start of amortization on MediKIT. Additionally, we recognized an impairment of €0.6 million, up from 2024 (€0.3 million), due to the write-down of legacy technology used in internal administrative processes.

Investments in research and development totaled €55.8 million, representing 20% of revenue, whereby €1.5 million was capitalized (€50.2 million in 2024, i.e., 20% of revenue, with €3.4 million capitalized). We continue to invest in our capability in digital twin solutions.

Operating profit

Operating profit (EBIT) for 2025 came in at €31.7 million, compared to €23.9 million in 2024. The operating margin, i.e., the operating profit expressed as a percentage of revenue, amounted to 11.3% in 2025 (in 2024: 9.5%). This growth of 180 basis points reflects the increase in added value margin.

Financing costs

Net financing costs decreased to €0.6 million in 2025 (in 2024: €0.9 million) as a result of a flexible refinancing arrangement with a more optimized cost structure.

Taxation

Taxation over 2025 totaled €6.5 million (in 2024: €4.4 million). The effective tax rate increased to 21.0% (in 2024: 19.0%), mainly reflecting higher non-deductible expenses, lower deferred taxation, and a prior-year tax adjustment, partly offset by increased benefits from tax incentive schemes.

Profit for the financial year

Profit posted for the 2025 financial year came in at €24.6 million, compared to €18.5 million posted in 2024.

Earnings per share and dividend

Earnings per share increased from €2.82 in 2024 to €3.72 in 2025. The average number of outstanding shares in 2025 was 6,605,616 (in 2024: 6,581,074). This increase is the result of the delivery of shares held by the company itself to cover employee participation plans.

A dividend of €3.70 will be paid for 2025 (in 2024: €3.20).

Financial position

The balance sheet total decreased from €137.4 million as of 31 December 2024 to €136.4 million as of 31 December 2025.

Trade and other receivables increased in line with revenue, while days sales outstanding remained flat at 6.2 weeks compared to 2024.

Inventories continued to decrease, from €32.0 million in 2024 to €30.0 million in 2025, as actions initiated to reduce inventory in 2024 continued to show results in 2025.

Overall liabilities decreased from €53.7 million in 2024 to €46.9 million in 2025. The financing agreement with the bank for the standby roll-over loan, set to expire on 1 April 2026, was repaid in the financial year and a multi-purpose credit facility has been established. This was partly offset by an increase in trade and other payables (from €30.5 million in 2024 to €32.3 million in 2025) and an increase in our lease liability (from €1.7 million in 2024 to €4.4 million in 2025). This increase reflects the leasing of new premises in the US for a five-year term and the leasing of vehicles in the Netherlands as part of the electrification of our fleet.

The net debt position is now negative at -€3.4 million as of 31 December 2025, compared to €9.6 million as of 31 December 2024. Cash and cash equivalents decreased from €4.4 million as of 31 December 2024 to €3.4 million as of 31 December 2025, with repayment of the borrowings being largely compensated by the improved operational cash flow.

Net debt-to-EBITDA stood at -0.1 as of 31 December 2025 (0.3 as of 31 December 2024). Solvency stood at 66% as of 31 December 2025 (61% as of 31 December 2024).

There are no drawings on the credit facilities as of 31 December 2025 (€14 million as of 31 December 2024).

Cash flow

Net working capital as of 31 December 2025 amounted to €26.5 million, lower than in 2024 (€35.0 million). This was driven by reduced inventory levels and increases in employee-related payables, tax and lease liability. The increases in trade and other receivables and trade and other payables are roughly equivalent. Operating cash flow amounted to €44.5 million in 2025, against €28.9 million in 2024.

Return on invested capital

Return on invested capital (ROIC) increased to 37% in 2025 (in 2024: 26%), driven by higher operating profit and lower net working capital.

3. Governance & Risk



3.1 Business integrity

Business integrity is fundamental to Nedap's long-term value creation and to the trust placed in us by customers, partners, employees, and society. We value ethical behavior, honesty, and respect, and we expect these principles to guide how we act toward each other and those we work with.

Operating in international markets with a high degree of autonomy calls for a strong ethical foundation, clear standards of conduct, and a culture that promotes responsibility and transparency. Nedap expects all employees and those working with us to act honestly, professionally, and in compliance with applicable laws and regulations. Integrity at Nedap goes beyond compliance with rules; it involves taking ownership, making responsible choices, and feeling able to speak up when behavior does not align with our standards.

The Board of Directors is responsible for promoting a culture of integrity and for aligning Nedap's business conduct with company values, as set out in the code of conduct and related policies. The Supervisory Board oversees the effectiveness of this approach and monitors whether these standards and values are upheld across the organization.

Code of conduct

Our code of conduct sets out the standards, values, and behaviors that Nedap expects its employees and everyone working with Nedap to live by. It covers, among other topics, conflicts of interest, bribery and corruption, fraud, insider trading, confidentiality, and the careful handling of price-sensitive information. The code also emphasizes respect, equal treatment, responsible working practices, and consideration for the health and well-being of people, the environment, and society. Please refer to our website for the full code of conduct.

To embed these standards consistently throughout the Nedap organization worldwide, employees complete an e-learning course. Additionally, we conduct periodic governance visits to Nedap's subsidiaries. The purpose is to align Nedap's global governance topics with the local context, share practical experience, learn from each other, and ensure that available knowledge is used across the organization.

Nedap compliance training

To ensure that all our employees understand what the code of conduct means for their daily work and know how to apply it, they are required to undergo training. The code of conduct e-learning course is mandatory for all Nedap employees. Of all employees, 98% completed the e-learning course.

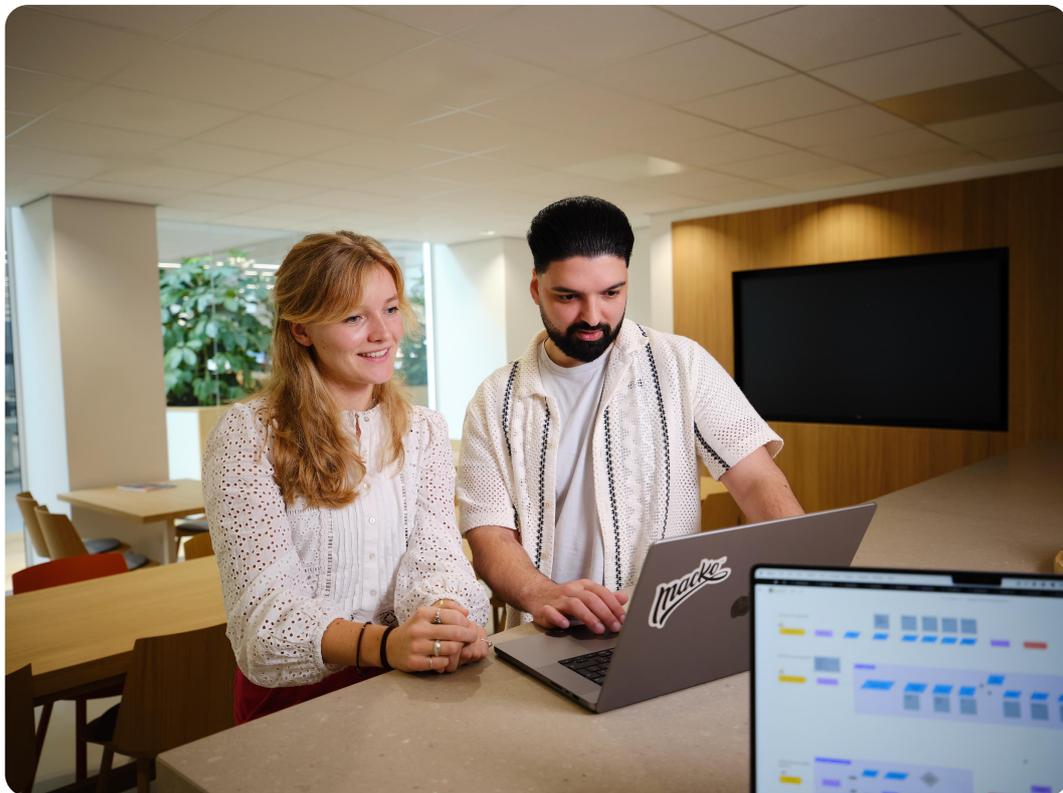
Additional training is provided on specific integrity topics, including personal data protection, AI, and information security, and is tailored to business needs and circumstances.

Anti-bribery and anti-corruption

Operating internationally exposes Nedap to bribery and corruption risks that could lead to reputational damage, legal sanctions, and financial loss. Nedap therefore maintains an anti-bribery and anti-corruption policy that sets out principles and expected behavior.

Risk mitigation measures include targeted training for relevant employee groups, a Speak Up! policy and procedure to report suspected irregularities, due diligence and risk-based screening of suppliers and business partners, and the integration of anti-bribery and anti-corruption topics into periodic compliance meetings.

Furthermore, we regularly assess risks in the markets and countries where we operate. We are cautious with respect to high-risk countries, providing additional guidance for conducting business in these countries, including sanctions and export controls. Awareness of corruption, bribery, and fraud risks is addressed through targeted guidance, training, and periodic compliance discussions.



Speak Up!

An open culture in which concerns can be raised without fear of retaliation is essential to safeguarding integrity. Nedap encourages employees and external stakeholders to speak up when they observe or suspect behavior that does not align with the code of conduct or applicable laws.

Nedap's approach is based on transparency and personal responsibility. We encourage our employees to address concerns directly where possible, and we have incident reporting procedures in place to help them do so. Where direct discussion is not appropriate or feasible, employees can seek advice or raise concerns through trusted contacts within the organization, such as a trusted colleague, their captain, a member of the Board of Directors, one of the three confidential counselors for undesirable behavior (CCUs), or one of the two confidential counselors for integrity (CCIs) appointed by Nedap. Confidential counselors provide employees with advice and may refer them to external professionals. The confidential counselors also meet on a regular basis to evaluate, reflect, and share knowledge. All five confidential counselors have undergone appropriate training to fulfill their role. Nedap provides both internal confidential counselors as well as external confidential counselors.

Additionally, Nedap provides formal reporting channels, including the compliance officer and the IntegrityLog reporting system, which allows reports to be submitted confidentially and, if desired, anonymously. The IntegrityLog reporting system can be used to report wrongdoings or irregularities as set out in the Whistleblowers' Protection Act, but also for any misconduct and suspicions of bribery, corruption, or fraud. These formal reporting channels are further described in Nedap's Whistleblower Policy, which sets out the applicable procedures and protections.

Reported concerns are investigated and followed up promptly. Relevant cases are reported to the Board of Directors, and any material violations are reported to the chair of the Supervisory Board. Awareness of the Speak Up! process is reinforced through periodic governance visits and training.

In the year under review, no material violations of the code of conduct were reported through the formal channels. Informal procedures were used to address individual concerns and resulted in appropriate solutions.

Health & safety

The health and safety of our employees and contractors is fundamental to Nedap's responsibility as an employer and to sustainable performance. We aim to provide a safe and healthy working environment, addressing physical and mental well-being and psychosocial working conditions.

Health and safety is a shared responsibility between the organization and its employees and is governed by policies aligned with applicable laws and regulations. The Board of Directors is responsible for employee health and safety and is supported by internal health and safety functions and emergency response arrangements. For subsidiary companies, local laws and regulations apply.

Specific safety policies are in place at our Smart production facilities, which operate in accordance with ISO 9001 and ISO 14001 standards. Additionally, emergency response training is conducted regularly across the organization.

Supply chain management

In our efforts to continuously enhance or maintain integrity and sustainability throughout the entire value chain, we seek to collaborate with suppliers whose values align with the principles outlined in our code of conduct.

Supplier selection and monitoring take into account sustainability criteria, including product quality, health and safety standards, and environmental performance. Following a three-year cycle, we conduct audits of our strategic and key suppliers in line with our 'Procurement Guidance Audits' to assess ongoing compliance with these standards and information security requirements. Electronic manufacturing services parties operate under ISO 9001 and ISO 14001 certifications.

Product safety and quality

Product safety and quality are integral to customer trust and market access. Nedap applies quality and safety requirements throughout product design, development, and manufacturing, supported by quality management systems in line with ISO 9001 and ISO 14001.

We manage risks associated with chemicals and hazardous substances in compliance with applicable regulations, including REACH and RoHS.

Nedap is dedicated to responsible material sourcing, aiming to prevent the use of conflict minerals (3TG materials) from high-risk areas, and suppliers are expected to comply with relevant sourcing regulations.

We support our clients by equipping our products with the appropriate certifications with respect to electromagnetic compatibility (EMC) and radio and electrical safety as required for unrestricted sales. We are also attentive to substances of concern and requirements related to packaging, cyber resilience, and batteries.

Human rights and other fundamental rights

Respect for human rights is a fundamental principle of Nedap's business conduct. This commitment is formalized in our human rights policy and aligned with the UN Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work.

We respect freedom of association, collective bargaining, and the principle of free choice of employment in countries where we operate. Human rights considerations form part of supplier assessments and audits. In 2025, we received no reports or evidence of human rights violations.

Taxation

A responsible and conservative tax policy is an integral part of Nedap's sustainability and business strategy. We regard paying taxes as a contribution to society and an element of sustainable long-term value creation. Our tax policy is founded on the principle of paying taxes locally, in line with the economic value generated by our activities.

Our policy is captured in the following specific principles:

- Nedap's primary financial objective is to create sustainable long-term value for all stakeholders.
- Nedap's organizational design is driven by operational considerations, not by tax considerations.
- Nedap pays taxes in line with the economic value created by its activities.
- Nedap complies with relevant tax laws and regulations and respects the spirit of the law.
- Nedap maintains timely and comprehensive communications with tax authorities.

Tax compliance is integrated into both the Nedap Risk Management Framework and the sustainable value creation model.

The tax policy is approved by the Supervisory Board. The Board of Directors ensures that Nedap's tax policy is aligned with and embedded in Nedap's strategy. Potential material tax risks are discussed with the Supervisory Board at least annually. Awareness of tax-related risks is supported through internal training and regular discussions with relevant finance and tax functions.

Information security and personal data protection

Information security and the protection of personal data are critical to maintaining trust and ensuring business continuity. Nedap applies technical and organizational measures to mitigate the risk of unauthorized access to, loss, or misuse of data, including personal data, intellectual property, and other sensitive information relating to Nedap, its customers, and end-users.

In recent years, we have further strengthened our policies, procedures, and contractual agreements to enhance the protection of (personal) data. Our onboarding program for new employees gives due attention to the importance of privacy and information security.

We maintain a comprehensive security baseline for the organization, supplemented by additional controls for specific business units. These controls cover areas such as software development, email and endpoint protection, and incident prevention and response. As of December 2025, 24/7 monitoring and follow-up for endpoint detection and response (EDR) has been outsourced to a specialist cybersecurity firm, enabling faster threat identification and access to dedicated expertise. External audits for certification confirm adherence to relevant standards. Within the Healthcare, Livestock, and Security business units, we hold ISO 27001 certifications for information security. For the Healthcare business unit specifically, additional certifications include NEN 7510 (information security), ISO 27701 (privacy), ISO 27018 (privacy), and ISO 9001 (quality). The Healthcare and Retail business units have an ISAE 3402/SOC 1 Type II assurance report, and Retail also has a SOC 2 Type II assurance report.



3.2 Risk management & internal controls

Risk management is an essential part of our business strategy. The primary objective is to identify and mitigate risks that have a potentially major impact on our ability to achieve our strategic and financial goals and, consequently, on the overall value of our business.

The Board of Directors has the overall responsibility for achieving our strategy and objectives and establishing adequate internal risk management and internal control systems. The implementation of our strategy, which is aimed at achieving market leadership in our key markets, is consistent with effective risk management, in which risks are identified in a timely manner and mitigating measures are taken where necessary.

We firmly believe that a sense of ownership leads to optimum risk management. Nedap's culture balances personal responsibility and autonomy with risk awareness and provides a solid foundation for managing risks in both day-to-day operations and strategic decision-making. This culture is reinforced by our code of conduct. The Board of Directors, NLT, senior management, and the Supervisory Board all play an important role in safeguarding this culture and ensuring that long-term impacts are considered in decision-making.

To support this approach, Nedap applies a three-lines model that fits the nature of the company and supports effective risk management across all risk categories.

- *First line*
The first line consists of employees. They are responsible for identifying, managing, and escalating risks as part of their day-to-day activities. By identifying and addressing risks within their areas of responsibility, employees act as the first line of defense and contribute directly to maintaining an effective risk and control environment.
- *Second line*
The second line consists of corporate expert functions and designated members of business unit leadership teams that provide guidance, support, and oversight to the first line. These functions include, among others, finance, IT, HR, legal, and compliance. Within the compliance domain, compliance theme owners and the compliance officer fulfill second-line roles by setting frameworks, monitoring developments, and supporting the organization in managing compliance risks.
- *Third line*
The third line is formed by the internal auditor, who provides independent assurance on compliance and the design and effectiveness of Nedap's risk management and internal control systems. The internal auditor reports findings to the Board of Directors and the Supervisory Board.

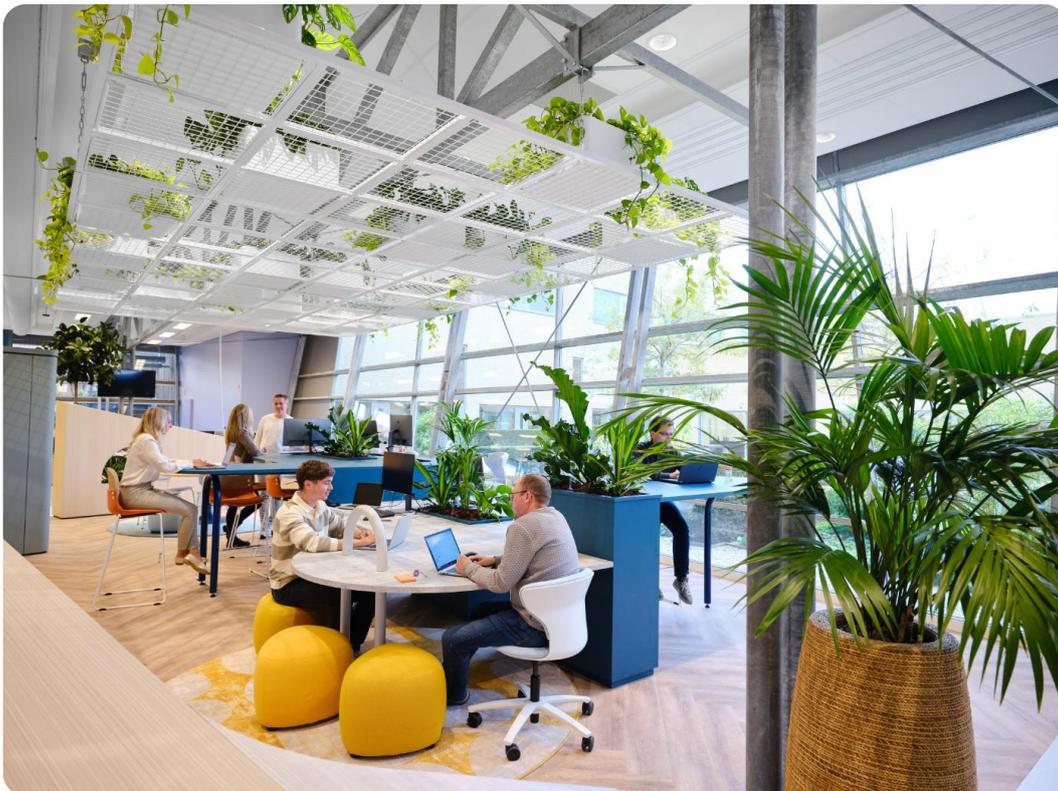
In our open, informal culture, finding the right balance between rules and entrepreneurship requires continuous dialogue, particularly in light of increasing regulatory pressure. While the primary responsibility for managing risks lies within the business units, the alignment of supporting processes and expertise within the corporate teams enables the business units to remain focused on their core activities. In this way, risk management is embedded throughout the organization and integrated into strategic planning and daily operations.

Sustainability continues to play a prominent role in our value creation model, presenting both risks and opportunities for Nedap. The increasing importance of sustainability, combined with the evolving laws and regulations introduced in recent years, has driven us to embed sustainability into our strategic planning and risk management processes.

Risk appetite

Nedap strives to strike the right balance between acceptable entrepreneurial risk and sustainable long-term value creation while remaining in control. Our risk appetite ranges from medium to high in terms of strategic risks, like solution development and commercial initiatives, and operational risks. When it comes to compliance with legislation and regulations, our risk appetite is low, with respect for both the letter and the spirit of the law. The table below shows Nedap’s risk appetite by risk category:

Category	Risk appetite
Strategic risks	Variable, majority medium to high
Compliance risks	Low
Reporting risks	Low
Operational risks	Variable, majority medium to high



Risk management and control systems

Nedap Risk Management Framework

Nedap has a solid system in place for responsible risk management. Our entrepreneurial culture leads to widespread interaction within and between teams, business units, and the Board of Directors, resulting in strong informal checks and balances. These are supplemented by formal procedures and controls where compulsory or deemed useful. These frameworks are based on the Nedap Risk Management Framework, which was adopted by the Board of Directors and the Supervisory Board. This framework identifies the connections between enterprise risk and the internal control system, contextualizing the Committee of Sponsoring Organizations (COSO) principles and linking them to business processes and procedures.

The Nedap Risk Management Framework is organized around our business processes. Risks that, due to their size, nature, and impact, could result in substantial losses, serious consequences for a business unit, or damage to the company as a whole, are reported to the Board of Directors. The Board of Directors then decides on follow-up actions in these situations.

As part of the strategic process, strategic risks and opportunities are included in the multi-year plan and discussed with the Board of Directors and the Supervisory Board. In addition, we organize annual risk sessions with business units and corporate teams to raise awareness, share knowledge, and identify Nedap-wide trends and developments to consider during the strategic process. Relevant risks for each business unit are identified and discussed. Specific sessions are held to raise awareness around fraud and integrity, including measures for detecting and preventing fraud. These risk sessions operate as an extra control mechanism, reinforcing the risk management principles of the business units and the Nedap Risk Management Framework. They also enable management to identify and share best practices within and across business units. We pay specific attention to identifying and prioritizing sustainability risks and opportunities in relation to the ESRS.

Risks that, due to their size, nature, and impact, could potentially have major consequences for Nedap, are included in the risk table at the end of this section. These risks have been classified into the following categories: strategic, operational, compliance, and reporting. The risk table includes a description of the associated impact and probability trend, as well as the key measures to mitigate the risk. Specific financial risks are addressed separately in the financial statements.

Strategic and financial management system

Nedap has an adequate and effective strategic and financial management system. Key components include the strategic calendar, which consists of the multi-year plan and the budget, and the financial reporting system, which tracks both the progress and actual outcomes of the company's operating activities. The financial management system is designed to:

- Set and align the right priorities and targets at the board and business unit level.
- Test actual progress and performance against objectives.
- Enable management to retain control over responsibilities delegated to others.
- Manage cash and cash-equivalent flows within the organization.
- Identify and restrict risks.
- Detect and prevent fraud.

The Board of Directors and business unit leaders also hold consultations on significant market-related matters, major investments, the progress of research and development projects, and staff allocations that go beyond the budget. Their final decisions are made in the interest of Nedap as a whole.

The Group Controlling department in Groenlo plays a leading role in finance and risk management. The department's role is to verify the data used in financial reporting and ensure the proper execution of administration and data processing tasks. It also ensures the correct, complete, and timely delivery of these reports, while overseeing other departments responsible for delivering data with a focus on detecting and preventing fraud. The Group Controlling department holds operational responsibility for financing, cash management, currency management, and taxes, and is responsible for risk management processes globally. Due to these responsibilities, the department is required to have regular and timely consultations with the Board of Directors and to work closely with employees in the Netherlands and abroad.

Operational risks

Operational risks are primarily managed within the business units as part of day-to-day operations. These risks relate, among other things, to people, processes, systems, supply chain activities, and the continuity and reliability of operations. Business units are responsible for identifying, assessing, and managing operational risks within the boundaries of Nedap's risk appetite, supported by corporate expert functions and aligned processes. Where appropriate, operational risks that could have a significant impact on Nedap or require coordination across business units are discussed with the NLT.

Nedap Compliance Framework

The Nedap Compliance Framework describes the objectives, responsibilities, and scope of Nedap's compliance management. The framework includes compliance-related communications, compliance monitoring and enforcement, and their integration within the organization. Subjects covered by the framework include supplier liability, information security, AI, privacy, insider trading, anti-bribery and corruption, competition, products and entities subject to sanctions under legislation and regulations, customs, HRM, health and safety, and product compliance, such as certifications.

Periodic meetings between the compliance theme owners and the compliance officer are held in the presence of the internal auditor to discuss relevant developments and progress. Significant or unusual compliance matters are escalated to the Board of Directors. Group privacy officers and group information security officers meet regularly to discuss developments, risks, and priorities within their respective domains.

The Board of Directors is responsible for the overall effectiveness of the Nedap Compliance Framework. The Audit & Risk Committee of the Supervisory Board oversees the functioning of the framework. The Supervisory Board is informed of material compliance matters.

The Nedap Compliance Framework is reviewed annually and updated as necessary.

Tax Control Framework

Nedap is exposed to tax risks that could potentially result in double taxation, penalties, and interest payments. These risks include, but are not limited to, transfer pricing risks on cross-border intercompany transactions and tax risks related to potential changes in tax laws that could result in higher tax expenses and payments.

Nedap's tax policy corresponds with its global governance model. Our Dutch operations consist mainly of strategy design, product development, marketing, sales, supply chain management, legal affairs, compliance, and controlling. Activities at subsidiaries consist almost exclusively of local sales (support). A large part of the Group's economic value is therefore generated in the Netherlands. Nedap neither engages in aggressive tax planning nor uses "tax havens" as defined by the Organization for Economic Cooperation and Development (OECD).

The Group Controlling department oversees and implements the global tax policy, formulates and implements the transfer pricing policy, and actively monitors compliance. Transactions between related entities are subject to the arm's length principle and the relevant OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Through its transfer pricing policy, Nedap aims for all its companies to post profits that are in line with the scale and risks of the activities in their respective countries. Such profits are subject to all applicable local taxes. All Nedap subsidiaries issue periodic reports on their tax position, including taxes charged and paid. In line with the OECD guidelines, a new benchmark study is conducted at least every two years. Most of the countries where Nedap operates have endorsed the OECD guidelines. However, these are not binding, and local tax authorities still have to sign off on a company's transfer pricing system. Although Nedap complies with the OECD guidelines, local tax authorities may withhold their approval. Nedap does not foresee significant financial, compliance, or reputation risks as a result.

Nedap has implemented a Tax Control Framework that is regularly monitored and updated. It documents and formalizes material tax risks, tax control, and the monitoring of taxes. Tax risks and mitigation strategies are discussed in regular meetings across the organization. The Tax Control Framework serves as the foundation for the horizontal supervision agreement with the Dutch tax authorities, which was reconfirmed in 2023 and will remain in effect through 2026.

Nedap has one ruling with Dutch tax authorities concerning an agreement to apply the Innovation Box tax regime. The current agreement remains in effect through 2026. When Nedap deems it helpful to gain prior certainty on the application of tax laws and regulations, the company tries to secure a ruling with the tax authorities.

A specific measure was taken to control tax risks and other risks. The directors under the articles of association of most subsidiaries are controllers who spend a considerable part of their time working with the Group Controlling department in Groenlo. They are responsible for local compliance, including tax legislation and regulations. The managers of our subsidiaries are evaluated based on the operating results of their respective business entities. Taxes are not a factor in such evaluations.

Assessment of effectiveness

The Board of Directors regularly assesses the design and operating effectiveness of Nedap’s risk management and internal control systems. This assessment is based on management information and reporting, discussions within the Board of Directors and the NLT, the outcomes of annual risk sessions, insights from the business and second line corporate expert functions, reports from the internal auditor and the external auditor, and discussions with the Audit and Risk Committee of the Supervisory Board. Where relevant, incidents, near misses, and developments in laws and regulations are taken into account.

Risk table

The following risk table provides a summary of the main risks identified, the associated impact and likelihood trend, the developments in 2025 that relate to these risks, and the main measures taken to mitigate them.

Other than what is stated in the Directors’ Report (the full annual report without [chapter 5 Financial statements](#)), there have, to the best of the Board of Directors’ knowledge, been no exceptional events that are exempt from being taken into consideration in the financial statements.



Risk type	Risk description		Developments in 2025	Mitigation
Strategic	Speed of technological developments <i>Decreased relevance of Nedap's core technologies leading to worsened competitive position.</i>	Risk appetite HIGH Impact trend ↑ Likelihood trend ↑	The rise of generative AI is a development that can impact the markets that Nedap operates in and the solutions that we offer to our customers. Generative AI can lead to competitive disruption if competitors move faster in embedding AI into their product offering and create superior products or services. In addition, generative AI and automation may lead to changes in job roles and responsibilities, potentially resulting in job displacement, job losses or a shift in required skill sets. Nedap recognizes the dual nature of generative AI as both an opportunity and a risk, actively exploring its potential to both safeguard and enhance our market positions and solutions. Besides AI, Nedap continues to monitor the trends in current and upcoming technologies. Also, dedicated exploration teams in each key market assess and invest in potential new solutions.	<ul style="list-style-type: none"> • We are a Digital Twin Technology company with extensive expertise and a diverse technological stack that goes beyond RFID. • Nedap has a strong track record in developing successful high-tech solutions and strong customer and partner relationships. • Every year, new developers are hired with up-to-date knowledge of current and upcoming technologies. Nedap events are organized to share technological knowledge and the latest developments. • Nedap explores potential new technologies that can threaten existing market positions. • We have set up a core AI team with several expertise groups focused on both risks and opportunities of AI. • Nedap has implemented an AI policy that promotes rapid and value-driven adoption of AI, while ensuring a responsible and risk-aware approach to its use.
Strategic	Unsuccessful solution and product development <i>Excessive strain on resources over a prolonged period without an instant prospect of returns, resulting in dependence on a limited number of growth factors and limited long-term growth perspective.</i>	Risk appetite HIGH Impact trend – Likelihood trend ↓	We progressed in strengthening our portfolio through the implementation of a key markets strategy and establishing clear strategies for these positions, also taking into account our plans for realizing our sustainability ambitions. The progress on these strategies is tracked using a strategic calendar, and they are integral to the Create-Scale-Core methodology. We carefully monitor investments in explorations, ensuring they align with our key market strategy. This alignment allows us to make more informed decisions about scaling up or down as necessary.	<ul style="list-style-type: none"> • Research and development draws on various business units' experience and knowledge, built up over many years. • Periodic solution portfolio reviews and a clear process, and key performance indicators for solutions in various phases. • The strategy to focus on four key markets creates leverage to extend our footprint in these markets through innovations and new solutions. • Closely monitoring the development and potential of solutions and products in the exploration and create phase and the ability to scale up or down quickly if required. • Increased focus on market intelligence in key markets.
Strategic	Attracting, developing and retaining talent <i>Shortage of talented employees leading to a delay in the implementation of the strategy.</i>	Risk appetite LOW Impact trend – Likelihood trend ↓	We consistently invest in our workforce, recognizing our people as our enduring competitive edge. We enhanced our internal recruitment team to attract the right talent. This effort was bolstered by significant progress in cultivating our employer brand. To retain our skilled employees, Nedap offers a variety of training programs focused on both personal and professional growth. We organized events across different business units, covering topics such as business development, AI and technology. Additionally, we improved transparency regarding career opportunities within Nedap and we have developed programs to improve leadership across teams.	<ul style="list-style-type: none"> • The company offers a culture of entrepreneurship and competitive employment terms, including an employee depositary receipt scheme. • Nedap provides an ecosystem in which talent can thrive by providing an easily accessible learning platform, focused academies and events, such as Tech Academy, TechKnow and bespoke development programs. Additionally, Nedap invests in maintaining a valuable network through Employer branding, University Career Days and business networking. • In-house recruitment team takes a dedicated approach to serving each business unit's needs. • We develop leadership talent through a leadership program and an organizational structure that fosters leadership talent development. • Our Diversity, Equity and Inclusion policy aims to ensure equal opportunities and treatment for all. • There is a continuous focus on health and safety through training sessions, policies and resources.

Risk type	Risk description		Developments in 2025	Mitigation
Strategic	Cybersecurity and IT A successful cyberattack could inflict great financial and legal damage on our company, as well as damage to our reputation (customer confidence).	Risk appetite LOW Impact trend – Likelihood trend ↑	Nedap continues to place strong emphasis on reducing the risk of cyberattacks. The overall threat landscape has intensified, particularly due to the growing use of AI in orchestrating such attacks. To strengthen our defenses, a specialized tool has been deployed across the organization to enhance endpoint security. The implementation of the NIS2 directive is ongoing, building on the substantial groundwork laid in previous years. An incident response procedure has been established, and cyber crisis exercises have been conducted to test and improve preparedness for potential incidents. In addition, Nedap's IT unit has been expanded, along with roles dedicated to information security. To further reinforce its cybersecurity capabilities, Nedap has partnered with an external specialist to enhance its Security Operations Center (SOC) and Security Information and Event Management (SIEM) functions. This collaboration enables robust 24/7 monitoring, rapid detection, and effective response to potential threats. As Nedap's operations increasingly depend on secure supply chains—including EMS partners and various third-party (open-source) software tools and services—careful supply chain management remains essential to ensure both security and compliance with relevant regulations and standards.	<ul style="list-style-type: none"> • Audits and further roll-out of certifications (including SOC 2, ISAE 3402, ISO 9001, ISO 14001 and ISO 27001/NEN 7510). • Increasing awareness in the organization through knowledge sharing, e-learning modules, including proactive communication about software risks and the importance of keeping systems up to date, supported by active monitoring 24/7. • Implementation of an incident response procedure with standard operating procedures that are regularly tested and maintained, combined with our culture of empowered and engaged employees enabling quick responsiveness in case of an incident. • Implementation of endpoint security protection. • Quality IT organization, with up-to-date knowledge. • Awareness in the recruitment process for new employees, including mandatory certificate of conduct for integrity-sensitive roles. • To mitigate the risk of data breaches in Nedap solutions, internal- and external penetration tests are performed. Threat modeling and secure software development knowledge is shared across business units. • Assessment and mitigation of supply-chain risks, including libraries and frameworks used in software applications.
Strategic	Geopolitical conflicts in relevant areas Global conflicts and increasing political tension could lead to supply chain disruptions, trade restrictions, and rising import tariffs, all of which may impact business continuity and cost levels.	Risk appetite MEDIUM Impact trend ↑ Likelihood trend ↑	Growing protectionism and trade barriers between major economies are putting increasing pressure on competitiveness, margins and are directly affecting the resilience of our supply chain. In particular, rising tensions between US, China and the EU could impact our competitive position towards customers. From a supply perspective, the circumstances in Asia and Eastern Europe remain a point of attention. Nedap continues to depend on Taiwan for semiconductors, while many of our EMS providers have historically been located in Eastern Europe. In close collaboration with our strategic suppliers, efforts have been made to identify and qualify alternative sources in other regions to reduce concentration risk and enhance supply continuity.	<ul style="list-style-type: none"> • Further execution of geographically spread, dual-sourcing strategy. • Sanction control systems and compliance monitoring. • Scenario management to think through implications of risks materializing. • Growth of SaaS cloud (recurring) revenue mitigates dependency on one-off hardware revenue. • Nedap is often not the importer of record for products delivered to customers. • Our competitive position, combined with long-term customer relationships and contracts, enables us to implement price adjustments. • Our balanced portfolio of key markets and solutions reduces exposure to one or more sales regions.
Strategic	Inability to achieve sustainability goals More material impact of the environment on our business and greater Nedap impact on the environment.	Risk appetite MEDIUM Impact trend – Likelihood trend –	The assessment of double materiality helps clarify our exposure from both a risk and opportunity perspective. We have made progress in establishing ambitions across all domains, translating them into clear, tangible and measurable objectives. This foundation enables us to actively pursue the realization of our goals. Our ongoing work to comply with the European Sustainability Reporting Standards (ESRS) further supports us in this process.	<ul style="list-style-type: none"> • We have set clear carbon footprint reduction targets and have the right plans to achieve these, linked to the remuneration of the Board of Directors. • We committed to SBTi targets in 2024, and have validated these in 2025. • Implementation of sustainability strategy to mobilize the organization and raise awareness around sustainability. • Improving non-financial reporting structures that provide all relevant data needed to make the right decisions. • Sustainability is integrated in all key market strategies, guided by our strategic calendar. • We maintain a long-term perspective in the development of products and solutions to customers.

Risk type	Risk description		Developments in 2025	Mitigation
Operational	Supply chain dependence and imbalance <i>Insufficient or late product availability resulting in delayed or even aborted delivery of products to our customers.</i>	Risk appetite MEDIUM Impact trend ↑ Likelihood trend ↑	In recent years, component shortages have left several business units with excess inventory relative to short-term demand, while distributors faced challenges in servicing end-customers. In addition, recent geopolitical tensions and trade restrictions have renewed attention on the vulnerability of global supply chains. At Nedap, we are proactively managing relationships with key suppliers to mitigate risks and ensure the delivery of quality products at the right price and time. We continue to work closely with our customers and suppliers to achieve optimal stock levels, while further strengthening the flexibility and resilience of our supply chain. In response to the current global tensions, we have set up a dedicated company-wide team to monitor supply chain developments, availability of critical components and ensure timely responses to emerging risks.	<ul style="list-style-type: none"> Nedap takes great care in selecting its production and logistics partners and sets the highest standards. Measures taken to improve the robustness of the supply chain include maintenance of buffer inventories, production partner audits, multiple suppliers for critical products and improved testing and measuring systems. Second sources were set up for many components and strategic relationships with suppliers were expanded. An effective forecasting process for all business units across Nedap ensures early warning and time to act. We ensure design flexibility to allow the use of alternative components in case of shortages. The continuous growth or recurring revenue reduces our dependency on hardware deliveries. We have set up a dedicated team that focuses on the availability of critical components.
Compliance	Legislation and regulations <i>Fines, sanctions and/or damage to reputation, and potential constraints on organizational agility and speed of decision-making due to increasing regulatory complexity.</i>	Risk appetite LOW Impact trend – Likelihood trend ↑	We continue to experience increasing compliance pressure and regulatory complexity in a broad range of areas. We are enhancing company-wide communication around compliance, ensuring that employees better understand the “why” behind our policies and “how” to apply them. Targeted training programs are developed for emerging topics, such as responsible use of AI. The Nedap-wide compliance committee will continue to monitor developments, with a focus on improving the effectiveness of soft controls and integrating compliance into day-to-day decision-making.	<ul style="list-style-type: none"> The Nedap Compliance Framework is monitored by the Nedap-wide compliance committee of theme owners, which meets periodically to discuss, among other topics, regulatory developments and required actions, with the aim to ensure a consistent and proportionate approach to compliance. The framework is evaluated annually to ensure it remains effective and to identify areas for improvement. Tailored training and communication initiatives on key topics, including AI. Ongoing collaboration between the Legal & Compliance team and key markets to integrate into strategic and operational planning. Nedap’s culture and powerful soft controls support compliance and responsible and balanced decision-making. New legislation is monitored constantly to ensure that new designs meet relevant requirements.
Compliance	Fraud and corruption <i>Fines, sanctions and/or damage to reputation.</i>	Risk appetite LOW Impact trend – Likelihood trend –	Fraud and corruption remain high on the agenda. As part of the risk management process, fraud is discussed and no cases were identified. As Anti-bribery and corruption is an identified compliance theme, it is also regularly discussed in the compliance committee.	<ul style="list-style-type: none"> Zero tolerance for fraud and corruption. Strong informal system of checks and balances. Several formal rules and policies, including a whistleblower policy and a code of conduct. Nedap has implemented a risk management framework and process to identify, discuss, and report fraud risks on a regular basis. Nedap has implemented an annual fraud awareness and detection program. Centralized management from Groenlo. Monitoring control: controllers from Groenlo are appointed to management positions at international sites. Various e-learning programs are provided to employees and senior management. The company has an anti-bribery and corruption policy.

Risk type	Risk description	Developments in 2025	Mitigation
Reporting	Information provision <i>Inaccurate or incomplete information provided to shareholders and other stakeholders.</i>	Nedap is experiencing continuous regulatory pressure when it comes to reporting. Examples are the EU Taxonomy, CSRD and ESEF.	<ul style="list-style-type: none"> • Reporting based on the International Financial Reporting Standards (IFRS) as adopted by the European Commission, which are compulsory standards for listed companies in the Netherlands, and the auditing of figures by an independent external auditor. • The Group Controlling department in Groenlo plays a leading role in terms of financial management. This department has set up a reporting system designed to ensure the uniform and correct handling of all financial and business matters, with the added focus of preventing possible fraud. • Implementation of best practices and principles of the Dutch Corporate Governance Code in our governance model. • Dedicated team, supported by external professional advisers.
	<p>Risk appetite LOW</p> <p>Impact trend –</p> <p>Likelihood trend ↑</p>		

3.3 Corporate Governance

This chapter outlines Nedap's corporate governance practices. It provides an overview of the composition and structure of our Board of Directors and Supervisory Board, detailing their roles and responsibilities, and specifying their relationship with the general meeting. Our governance framework is designed to support effective decision-making, accountability, and a sound and transparent system of checks and balances.

Board of Directors

Composition

The Board of Directors consists of three executive members: the CEO, the CCO, and the CFO.



Details of the members of the Board of Directors



Mr. R. M. Wegman

(1966)

CEO

Nationality:

Dutch

Working for Nedap since:

1 July 1997

First appointment to the Board of Directors:

21 May 2003*

Relevant additional positions:

None

Supervisory Board memberships:

Koninklijke Barenbrug B.V. (member)

* Titular director from 1 January 2002. Director under the articles of association since 21 May 2003.



Mr. R. Schuurman

(1969)

CCO

Nationality:

Dutch

Working for Nedap since:

1 March 2004

First appointment to the Board of Directors:

12 April 2022*

Relevant additional positions:

None

Supervisory Board memberships:

None

* Titular director from 1 January 2022. Director under the articles of association since 12 April 2022.



Ms. H. P. J. M. Jans

(1974)

CFO

Nationality:

Dutch

Working for Nedap since:

1 July 2025

First appointment to the Board of Directors:

1 July 2025

Relevant additional positions:

None

Supervisory Board memberships:

The Red Cross (member)

Responsibilities

The Board of Directors is responsible for managing the company and safeguarding Nedap’s continuity. The Board of Directors sets the strategy for sustainable long-term value creation, taking into account an acceptable risk profile, the impact on people and the environment, and the interests of relevant stakeholders.

The Board of Directors is responsible for implementing this strategy and is accountable to shareholders and the Supervisory Board.

The Board of Directors is also responsible for compliance with applicable legislation and regulations and for establishing and maintaining adequate internal risk management and control systems. The Board of Directors renders account to the Supervisory Board on the effectiveness of the design and operation of these systems.

Certain decisions by the Board of Directors require the Supervisory Board’s approval. Article 18 of the articles of association specifies what decisions are subject to Supervisory Board approval.

Appointment

Members of the Board of Directors are appointed by the Supervisory Board. The Supervisory Board informs the general meeting of the proposed appointment. The Supervisory Board will not dismiss a director until after the general meeting has been heard about the intended dismissal.

Remuneration, employment, and management terms

Each individual director’s remuneration and employment terms are set by the Supervisory Board in accordance with the company’s remuneration policy adopted by the general meeting. The remuneration policy aims to attract and retain qualified, expert directors, while also supporting Nedap’s medium- and long-term interests. More information about the remuneration policy is available on [our Corporate Governance webpage](#). For more details on the implementation of the remuneration policy in the 2025 financial year, please refer to [section 4.2](#) of this report.

Nedap Leadership Team



The Nedap Leadership Team (NLT) functions as Nedap's executive committee (ExCo). It was introduced on 4 March 2025 to support alignment and decision-making on Nedap-wide themes, which is essential to Nedap's next phase of growth in its four key markets. The NLT consists of the Board of Directors, the Managing Directors of the key markets, and the General Counsel. It supports the Board of Directors in preparing strategic decisions and coordinating execution. The Board of Directors remains responsible for setting strategy and for strategic and material decision-making.

Supervisory Board



Composition

The Supervisory Board comprises five non-executive members. For more information about the members of the Supervisory Board and a skills matrix, we refer to [section 4.1 Report of the Supervisory Board](#).

The Supervisory Board has established two committees, the Audit & Risk Committee and the Remuneration Committee, to support efficient and focused execution of tasks, decision-making, and meetings. For more information on these committees, we refer to [section 4.1 Report of the Supervisory Board](#).

Responsibilities

The Supervisory Board reviews the governance of the Board of Directors and supervises general operations within Nedap N.V. and affiliated companies. The Supervisory Board also supports the Board of Directors in an advisory capacity. In fulfilling their duties, the members of the Supervisory Board are guided by the interests of Nedap N.V. and the affiliated companies. The Supervisory Board also oversees the effectiveness of internal risk management and control systems, and the integrity and quality of the financial and non-financial reporting. The profile for the size and composition of the Supervisory Board can be found on the company website. Membership of the Nedap Supervisory Board conforms to the profile described. All members are independent of the company and of each other and comply with the applicable limits on supervisory positions.

Appointment

Supervisory Board members are appointed by the general meeting following a proposal by the Supervisory Board, as specified in the articles of association, generally for a period of four years. This proposal is made on the basis of a profile drawn up by the Supervisory Board. The general meeting and the works council may recommend candidates. The works council has an enhanced right of recommendation for a third of the Supervisory Board membership, as laid down in Article 23.5 of the articles of association.

Remuneration

The remuneration of individual members of the Supervisory Board is determined by the general meeting in accordance with the Supervisory Board remuneration policy, as adopted by the general meeting.

General Meeting

The annual general meeting is held within six months of the end of the financial year. The agenda for the annual general meeting includes, among other items, the annual report, adoption of the financial statements, the remuneration report, dividend proposal, discharge of the members of the Board of Directors and the Supervisory Board, and proposed appointments. Key governance decisions that, by law and under the articles of association, must be submitted to the annual general meeting are also addressed, as are any other proposals submitted by the Supervisory Board or the Board of Directors. Shareholders representing at least 1% of the issued share capital may request in writing that items be placed on the agenda. Requests will be granted (i.e., the requested item will be put on the agenda) if the company has received the request no later than the 60th day before the day of the annual general meeting.

Extraordinary general meetings may be convened as often as deemed appropriate by a member of the Board of Directors or Supervisory Board, if required by law, or if one or multiple shareholders, who jointly represent at least 10% of the issued share capital, submit a timely request to this effect to the Board of Directors and the Supervisory Board. Their request must include a detailed breakdown of the items they want to address. The convocation procedure for an extraordinary general meeting is specified in Article 31 of the articles of association.

Convocation of a General Meeting

General meetings are convened either by the Supervisory Board or by the Board of Directors at least 42 days ahead of the meeting date. The convocation notice will be posted on the company's website as per the procedure laid down in Article 46 of the articles of association.

Admission to General Meetings and meeting rights

Nedap has only issued registered shares. Holders of one or multiple registered shares are authorized to attend the general meetings and to speak and vote at the meetings, provided that their entitlement to attend and vote dates back to at least 28 days before the meeting date (the record date) and they have been registered in a register designated by the Board of Directors, regardless of who is entitled to the shares at the time of the general meeting.

Shareholders wishing to attend the annual or an extraordinary general meeting are required to notify Nedap of their intention before a date set by Nedap's Board of Directors through their bank or broker where their shares are held in trust, and include proof of receipt, which serves as their entrance ticket to the meeting. This date cannot be set earlier than seven days ahead of the meeting date.

Voting rights

Every share comes with the entitlement to one vote, and there are no restrictions on voting rights.

Independent external auditor

The general meeting appoints the independent auditor following nomination by the Supervisory Board. The Supervisory Board oversees the performance of the external auditor and evaluates the performance annually.

Internal auditor

The Board of Directors both appoints and dismisses the internal auditor, after approval by the Supervisory Board. The performance of the internal auditor is evaluated by the Board of Directors on an annual basis, after consultation with the Supervisory Board. An independent third party will assess the performance of the internal auditor at least every five years.

Diversity, Equity, and Inclusion

Our policy is available on the website. Further information about DEI is also provided in [section 1.3 Our people](#), in our stakeholder table in [section 1.4 Sustainability](#), in the sections [2.3 Progress on our people](#), [2.4 Progress on our sustainable impact](#), [4.1 Report of the Supervisory Board](#), and in [section 4.2 2025 Remuneration report](#) (Sustainable organizational and revenue model). Additional information can be found in [chapter 8 Sustainability statement](#), [section 8.4 Sustainability governance](#), subsection 8.4.1, [section 8.6 Own workforce](#), subsections 8.6.1, 8.6.2, 8.6.4, 8.6.5, and 8.6.8.

The Dutch Corporate Governance Code

The Supervisory Board and the Board of Directors are responsible for Nedap's Corporate Governance and for compliance with the 2025 Dutch Corporate Governance Code (Code). Please refer to <https://www.mccg.nl/english>.

Deviations from the Dutch Corporate Governance Code

Principles and best practice provisions

Nedap largely endorses the Code's basic and broadly supported principles. Nedap applies several of the Code's provisions in a different way, for which we provide solid reasoning. In this report, we are accounting for our compliance with this Code, which is based on the principle of apply or explain.

3.2.3 Director severance pay

Regarding directors under the articles of association appointed before 1 January 2015, severance pay shall be determined partly by their length of service and partly in light of the permanent nature of their appointment. Directors under the articles of association appointed after 1 January 2015 are subject to the severance pay cap of one annual salary, which is the fixed component of their pay.

3.4.2 Director contract

The key elements of a director's contract with the company are published in a list on the company's website after the contract has been signed, and in all cases no later than the notice convening the general meeting, during which the appointment of the director will be proposed. For the provision of directors under the articles of association appointed after 1 January 2015, Nedap complies in the sense that members of the Board of Directors are appointed by the Supervisory Board after announcing the proposed decision to the general meeting.

4.1.3 Adding the dividend proposal to the agenda

Dividend payment is part of the company's strategy and long-term policy. Dividend proposals will therefore not be addressed as an agenda item unless this payment is made partly or fully by drawing on the reserves. The dividend payment will, however, be explicitly included on the agenda as an item for discussion.

4.2.3 Meetings and presentations

Given the company's scale and the limited international spread of Nedap's shareholders, the availability of webcasting, smartphones, and other facilities for live viewing of meetings and presentations is restricted. Presentations are posted on the company's website immediately prior to the meeting at which they are given, so that all shareholders can read them.

4.3 Casting votes

Shareholders can vote by proxy or directly by following voting instructions. Given the limited scale of the company and relatively limited spread of outstanding Nedap shares, facilities for communication between shareholders are not yet provided.

Stichting Preferente Aandelen Nedap

Based on best practice provision 4.2.6 of the Code, the Board of Directors must provide a summary of all protective measures that have been taken or could be taken to protect the company from a third party gaining control.

Since 1973, Nedap has been able to issue preference shares as a protective measure. This protection can be deployed if a third party intends to gain control of the company by acquiring a decisive interest or otherwise attempts to adversely affect Nedap, without consideration for its business interests and those of all stakeholders.

Stichting Preferente Aandelen Nedap (the Foundation) was founded for this purpose in 1983. It looks after the interests of Nedap N.V., its business, and all stakeholders, providing defense wherever possible against influences that could threaten continuity, independence, or identity, and conflict with its interests. Nedap has granted the Foundation the right to acquire preference shares through a call option, under which, on request, the Foundation can acquire preference shares up to a maximum equal to the number of ordinary outstanding shares, less one, at the time the option is exercised. The call option obliges Nedap to issue the number of preference shares requested by the Foundation whenever it makes that request. Consequently, no further decision by any corporate body of Nedap is required; the decision was made when the option was granted to the Foundation. If preference shares are issued, the Foundation must pay at least 25% of their nominal value in cash.

The board of the Foundation is made up of the following people:

- Mr. N. W. Hoek, chair
- Mr. A. C. Metzelaar
- Ms. A. P. M. van der Veer-Vergeer
- Mr. G. van de Weerdhof

The composition of the board is intended to ensure that the interests of all Nedap stakeholders are looked after in the decision-making process to the maximum degree. According to both the directors of this Foundation and those of Nedap, the Foundation is independent of Nedap, as specified in Article 5:71(1)(c) of the Dutch Financial Supervision Act (“Wet op het Financieel Toezicht”). Preference shares take precedence over ordinary shares when it comes to dividend payment or pay-out of capital paid up on shares, the latter occurring in the event of Nedap’s liquidation.

Other

Material transactions

To the best of Nedap's knowledge, there are no:

- Material transactions between legal or natural persons who hold at least 10% of the shares in Nedap, as meant by provision 2.7.5 of the Code;
- Material transactions of the company with a related party that are outside the framework of normal operations or not in line with normal market conditions (Article 2:167 Dutch Civil Code); and
- Restrictive agreements with shareholders.

To the best of Nedap's knowledge, its shareholders are not a party to an agreement that could lead to restrictions on trading in Nedap shares or on voting rights.

Change of control

The multi-purpose credit agreement that Nedap has entered into with its bank is also governed by general credit provisions under which the bank can demand early repayment of outstanding amounts if there is a significant change in control over Nedap's activities. It is not unusual for other long-term alliances, in which Nedap is a party, to also include the possibility of terminating the agreement with immediate effect in the event of a change of control. A change of control, however, is not expected to have a significant impact on Nedap's financial performance. Nedap has not entered into agreements with directors or other employees under which personal rights to compensation can be derived upon termination of their employment after the settlement of a takeover bid for Nedap shares.

Issue of shares in the company

As per the articles of association, the Board of Directors is only authorized to issue shares if the general meeting designates it as the body authorized to issue shares. The general meeting of 17 April 2025 designated the Board of Directors as the body authorized to issue ordinary shares in the capital of Nedap and to grant rights to subscribe to shares in Nedap's capital. The Board of Directors' authority to issue shares is limited to a maximum of 10% of the total issued share capital at the time of issue. This requested designation has been granted for a period of 18 months. A resolution by the general meeting to issue shares, to designate the Board of Directors as the body authorized to issue shares, or the withdrawal of a resolution to designate can only be passed on a proposal of the Board of Directors, with the prior approval of the Supervisory Board. A resolution to issue shares by the Board of Directors, provided that the Board of Directors has been designated as the body authorized to issue shares, is always subject to Supervisory Board approval in each specific case. Preferential rights can be limited or excluded by the body appointed to decide on share issues. The shareholders' decision to adopt the proposal to designate the Board of Directors has been published on [our website](#).

Share buybacks

Nedap may only acquire its own fully paid-up shares for no consideration. An acquisition, other than for no consideration, is only possible if:

- 1 Shareholders' equity, less the purchase price, is not less than the paid-up and called-up part of the capital, plus the reserves that must be maintained by law and/or under the articles of association; and
- 2 The nominal amount of the company's own shares is no more than 50% of the issued share capital; and
- 3 The general meeting has appropriately authorized the Board of Directors. This authorization is not required to acquire the company's own shares or depository receipts in order to transfer them to employees under an applicable plan.

In accordance with Article 13 of the company's articles of association and without prejudice to the provisions of Article 2:98 of the Dutch Civil Code, the annual general meeting of 17 April 2025 authorized the Board of Directors, with the approval of the Supervisory Board, to acquire ordinary shares up to a maximum of 10% of the total issued share capital of Nedap N.V. After such an acquisition, Nedap N.V. or one or several of its subsidiaries can never hold more than 10% of the total issued share capital of ordinary shares in Nedap N.V. for their own account. The ordinary shares can be acquired through purchase on the stock market or otherwise at a price that lies between the nominal value of the ordinary shares and 110% of the average closing price of the ordinary shares on the Euronext Amsterdam N.V. stock exchange over the five consecutive trading days prior to the day of purchase.

The requested authorization will be valid for a period of 18 months, starting from 17 April 2025. The decision by the annual general meeting has been published on [our webpage](#).

Amendment of the articles of association

Nedap's articles of association may be amended by a resolution of the general meeting after approval by the Board of Directors and Supervisory Board.

Consolidated non-financial statement

With the adoption of the European Sustainability Reporting Standards (ESRS), Nedap also ensures compliance with the reporting requirements related to sustainability information as described in the Non-Financial Reporting Directive (NFRD).

Corporate Governance statement

The Corporate Governance Statement specified in the Decree on the content of the Directors' Report is part of this Directors' Report. The required information can be found in this chapter, Governance & Risk. Additional information can be found in [chapter 4 Report of the Supervisory Board](#). Regarding DEI, please refer to [section 1.3 Our people](#), in our stakeholder table in [section 1.4 Sustainability](#), in the sections [2.3 Progress on our people](#), [2.4 Progress on our sustainable impact](#), [4.1 Report of the Supervisory Board](#) and in [section 4.2 2025 Remuneration report](#) (Sustainable organizational and revenue model). Additional information can be found in [chapter 8 Sustainability statement](#), [section 8.4 Sustainability governance](#), subsection 8.4.1, [section 8.6 Own workforce](#), subsections 8.6.1, 8.6.2, 8.6.4, 8.6.5, and 8.6.8.

The Directors' Report also includes information required under the Decree ratifying Article 10 of the Takeover Directive to the extent that it applies to Nedap N.V.



Directors' statement

In line with best practice provision 1.4.3 of the Code, the Board of Directors states to the best of its knowledge that:

- 1 The Directors' Report (the complete annual report without [chapter 5 Financial statements](#)) as included in this report offers an adequate level of insight into the shortcomings in the operation of Nedap's internal risk management and control systems.
- 2 The aforementioned systems provide reasonable assurance that Nedap's financial reporting is free from material misstatement.
- 3 The aforementioned systems provide limited assurance that Nedap's sustainability statement is free from material misstatement.
- 4 The Board is not aware that the aforementioned systems would not provide sufficient comfort that material operational and compliance risks faced by Nedap are effectively managed in line with Nedap's risk appetite, where 'sufficient comfort' is to be read as: comfort considering our risk appetite, the complexity of our enterprise, inherent limitations to these systems and other disclosures on these systems in our management report.
- 5 The report reflects the status of Nedap's current operations and the fact that financial reporting has been prepared on a going concern basis.
- 6 The Directors' Report contains material risks and uncertainties that are relevant in the formulation of expectations as to Nedap's continuity.

Despite the internal risk management and control systems, material errors, fraud, and unlawful actions can still take place. The systems therefore do not provide absolute assurance that targets will be achieved. They have been developed to obtain sufficient assurance as to the effectiveness of controls implemented to mitigate the financial, compliance, and operational risks related to organizational objectives.

Additionally, the Board of Directors states, in compliance with Article 5:25(c) of the Dutch Financial Supervision Act and to the best of its knowledge, that:

- 1 The financial statements provide a faithful representation of the assets, liabilities, financial position, and profit/loss of the issuing entity and the companies included in the consolidation.
- 2 The Directors' Report provides a faithful representation of the position of the company and consolidated businesses as of 31 December 2025 and of Nedap's development and performance during the 2025 financial year and describes the significant risks the company is facing.

Groenlo, the Netherlands, 23 February 2026

Board of Directors

Mr. R. M. Wegman, CEO

Mr. R. Schuurman, CCO

Ms. H. P. J. M. Jans, CFO

4. Supervisory Board



4.1 Report of the Supervisory Board

In this report, the Supervisory Board reports on the supervision exercised and the advice provided during the 2025 financial year. The Supervisory Board reflects on Nedap's performance, strategy, governance, risk management, and leadership developments, with due regard for sustainable long-term value creation.

Message from the chair of the Supervisory Board

The year 2025 was characterized by solid operational performance, continued execution of Nedap's Step Up! strategy, and a number of important governance and leadership developments. Against a backdrop of ongoing geopolitical uncertainty and regulatory change, Nedap demonstrated resilience and focus, with growth across its key markets and a further strengthening of recurring revenue.

In addition to strategic and operational progress, 2025 was marked by a number of changes within both the Supervisory Board and the Board of Directors. These developments reflect a balanced approach to continuity and renewal, which the Supervisory Board considers essential for safeguarding Nedap's long-term interests.

At the level of the Supervisory Board, in accordance with the rotation schedule, Jo van Engelen stepped down, and Karin Bergstein was appointed as a new member, further strengthening the Supervisory Board's expertise in finance, governance, and risk oversight. I was reappointed for a new term and would like to thank Nedap's shareholders and my fellow members of the Supervisory Board for their continued trust.

Within the Board of Directors, the year saw a transition in the role of CFO. Daniëlle van der Sluijs stepped down after the annual general meeting in April 2025. The Supervisory Board would like to thank Daniëlle van der Sluijs for her contribution to Nedap. The Supervisory Board welcomed the appointment of Rianne Jans, who started as CFO per 1 July 2025.

In October 2025, it was communicated that due to health reasons, CEO Ruben Wegman will step down after the annual general meeting in April 2026, and that the Supervisory Board intends to appoint Rob Schuurman as his successor. This decision was taken in close consultation with several parties and emphasizes our strong focus on continuity, stability, and culture. The Supervisory Board expresses its deep appreciation for Ruben Wegman's leadership and long-standing contribution to Nedap's transformation and growth, and has full confidence in Rob Schuurman to lead the company to the next growth phase.

The Nedap Leadership Team (NLT) was introduced in March 2025, strengthening Nedap's governance. This team functions as an executive committee. Furthermore, the Supervisory Board supervised the preparation for the transition to a new external auditor. Sustainability, risk management, and culture remained integral to the Supervisory Board's oversight throughout the year.

On behalf of the Supervisory Board, I would like to thank the Board of Directors and all Nedap employees for their commitment and performance in 2025. I also thank my fellow Supervisory Board members for their constructive collaboration. With confidence, the Supervisory Board looks ahead to 2026 and to supporting Nedap through its next phase of development.

Peter van Bommel

Details of the members of the Supervisory Board



Mr. P. A. M. van Bommel
(1957)

Chair of the Supervisory Board
Member of the Remuneration
Committee

Nationality:

Dutch

Profession/most recent primary position:

CFO of ASM International (until May 2021)

First appointment:

24 June 2021

Current term:

2025-2029

Relevant additional positions

- Non-executive director at SES S.A. (listed on Euronext Paris and Luxembourg)
- Member of the Board of Stichting Bernhoven
- Chair of the advisory board of the Executive Master of Finance & Control program at Amsterdam Business School (University of Amsterdam)
- Member of the advisory board of the University of Amsterdam's Faculty of Economics and Business
- Member of the Board of Stichting Continuïteit TomTom (as of December 2025)

Supervisory Board memberships

- Chair of the Supervisory Board of Aalberts N.V.



Ms. K. T. V. Bergstein

(1967)

Member of the Supervisory Board
Member of the Audit & Risk Committee

Nationality:

Dutch

Profession/most recent primary position:

CFO of Aidence B.V. (until October 2022)

First appointment:

17 April 2025

Current term:

2025-2029

Relevant additional positions

- Member of the Board of Stichting Continuïteit NN Group (Netherlands)
- Managing Director of Bergstein Advies
- Member of the Board of Stichting Preferente Aandelen Wereldhave N.V.

Supervisory Board memberships

- Member of the Supervisory Board of BNG Bank N.V. (Netherlands)
- Member of the Supervisory Board of Van Lanschot Kempen N.V. (Netherlands)
- Member of the Supervisory Board of University Medical Center Groningen (Netherlands)



Ms. M. Pijnenborg

(1970)

Vice Chair of the Supervisory Board
Chair of the Remuneration Committee
Member of the Audit & Risk Committee (until 17 April 2025)

Nationality:

Dutch

Profession/most recent primary position:

Board member and entrepreneur

First appointment:

4 April 2019

Current term:

2023-2027

Relevant additional positions

- Founder of and investor in Boralis B.V.
- Member of the Board of Tanka Foundation
- Member of the advisory board of the University of Amsterdam's Faculty of Economics and Business
- Member of the advisory board of United Repair Centre International B.V.

Supervisory Board memberships

- Member of the Supervisory Board of Rijksmuseum Fonds
- Member of the Supervisory Board of Techleap (Stichting DutchStartHub)
- Member of the Supervisory Board of The Mouse Mansion Company B.V.



Mr. S. C. Santema

(1960)

**Member of the Supervisory Board
Member of the Audit & Risk
Committee**

Nationality:

Dutch

Profession/most recent primary position:

- CEO and entrepreneur
- Professor of Network Design & Innovation, Faculty of Industrial Design Engineering, Delft University of Technology

First appointment:

13 April 2023

Current term:

2023-2027

Relevant additional positions

- Board member of Stichting Aethos, promoting the reuse and remanufacture of aircraft materials

Supervisory Board memberships

None



Ms. M. A. Scheltema

(1954)

**Member of the Supervisory Board
Chair of the Audit & Risk Committee**

Nationality:

Dutch

Profession/most recent primary position:

Professional Supervisory Board member

First appointment:

5 April 2018

Current term:

2022-2026

Relevant additional positions

- Expert Member of the Enterprise Chamber at the Amsterdam Court of Appeal
- Partner at Scheltema Tammenoms
- Chair of the Netherlands Eye Association
- Member of the Sijthoff jury (Best Annual Report of listed companies)

Supervisory Board memberships

- Member of the Supervisory Board of Stichting Open Nederland
- Vice Chair of the Supervisory Board of the Nederlands Fotomuseum

Supervisory Board composition and skills matrix

The Supervisory Board supervises, evaluates progress and performance, maintains a healthy and transparent system of checks and balances, and assists the Board of Directors with advice where necessary. The focus is on long-term sustainable value creation in the interest of all of the company's stakeholders.

The composition of the Supervisory Board is in line with the updated profile published on [Nedap's website](#), which was discussed during the annual general meeting on 17 April 2025, and reflects a deliberate emphasis on strategy, executive leadership and finance, governance and risk, supported by complementary expertise in technology, cybersecurity, sustainability, and people and culture. The Supervisory Board considers its composition appropriate to fulfill its supervisory and advisory duties and to provide effective counterbalance to the Board of Directors.

Composition and changes

In 2025, the composition of the Supervisory Board changed. At the annual general meeting on 17 April 2025 and in accordance with the rotation schedule, Jo van Engelen stepped down. At the same meeting, Karin Bergstein was appointed as a new member. Peter van Bommel was reappointed for a new term.

As of 31 December 2025, the Supervisory Board consisted of five members. All members are independent within the meaning of the Dutch Corporate Governance Code and comply with the applicable limits on supervisory positions.



Profile, skills, and diversity

	Mr. P. A. M. van Bommel	Ms. K. T. V. Bergstein	Ms. M. Pijnenborg	Mr. S. C. Santema	Ms. M. A. Scheltema
Composition					
Age group					
45-54			x		
55-64		x		x	
65-74	x				x
Gender	Male	Female	Female	Male	Female
Nationality	Dutch	Dutch	Dutch	Dutch	Dutch
Competences					
Executive leadership	++	++	++	+	++
Strategy	++	++	++	++	++
International business	++	++	+	+	++
Technology and innovation	+	+	++	++	+
Value chain management	+	+	+	++	+
People and culture	+	+	++	+	++
Sustainability	+	+	++	++	+
Finance, governance and risk	++	++	+	++	++
IT and cybersecurity	++	++	+	+	+

+ = possesses a sufficient level of expertise, skills, and experience in the area and can make a balanced impartial judgment

++ = in addition, acknowledged as an expert in the respective areas (max. 5 per person)

Explanatory notes:

The purpose of this matrix is to provide an overview of the experience and competences that Nedap deems most relevant to its stakeholders.

The matrix represents the extent to which the company's Supervisory Board members have such experience and competences.

For the purpose of creating this overview, each of the members of the Supervisory Board may have a maximum of five specific areas of expertise, and they are considered experts within the respective domain.

The composition of the Supervisory Board meets current gender diversity requirements. The Supervisory Board believes that the current composition constitutes a good balance between the various required skills, relevant knowledge, and experience. In the Supervisory Board's view, the Supervisory Board meets the requirements of independence, as specified in best practice provisions 2.1.7 to 2.1.9 inclusive of the Dutch Corporate Governance Code.

Financial statements

Throughout the year, the Supervisory Board was regularly informed about the company's operations through financial reports and explanatory notes provided by the Board of Directors.

In addition, the Supervisory Board received detailed monthly reports on financial performance and progress against the annual plans. The Supervisory Board also held regular meetings with managers and other employees from the various business units to gain insight into market developments and business unit performance.

PricewaterhouseCoopers Accountants N.V. (PwC) audited the financial statements and issued an unqualified auditor's report, which is included in the report in [section 6.1 Audit certificate issued by the independent auditor](#). In the course of the audit, the auditor held the customary final evaluation meetings with the Board of Directors, Group Controlling, and the Audit & Risk Committee.

The full Supervisory Board subsequently discussed the auditor's report and the 2025 annual report with the Board of Directors and the auditor. These discussions covered, among other topics, the integrity and quality of the company's financial reporting, material reporting considerations, and material risks and uncertainties. Where relevant, the outcome of these discussions was reflected in the auditor's report. A subsequent meeting with the auditor, held without the presence of the Board of Directors, did not give rise to any additional matters.

Based on these reports and discussions, the Supervisory Board is of the view that the 2025 annual report provides a sound overview of the current status of Nedap. The Supervisory Board therefore advises the annual general meeting to adopt the 2025 financial statements.

Dividend

The Board of Directors and the Supervisory Board consider it prudent to pay a dividend of €3.70 per share. Nedap maintains the required reserves to be able to guarantee its continuity and stay on the strategic course that the company has set.

As required under article 43.3 of Nedap's articles of association, any profit not added to the reserves as per article 43.1 of Nedap's articles of association is paid out to holders of ordinary shares in Nedap. As a result, the total amount available for payment will be €24.5 million, which means a payment of €3.70 per ordinary share (in 2024: €3.20).

Strategy

In 2025, the Supervisory Board monitored the execution and further refinement of Nedap's Step Up! strategy. Strategic discussions focused on strengthening execution, sharpening priorities, and translating long-term ambitions into long-term profitable growth across the four key markets: Healthcare, Livestock, Retail, and Security.

Throughout the year, the Supervisory Board discussed strategy execution with the Board of Directors and the managing directors of the key markets, with a focus on clear strategic choices, disciplined execution, and improved value capture. The Supervisory Board underscored the importance of continued focus on a limited number of initiatives with high impact, effective performance management, and the alignment of long-term market ambitions with short-term objectives, while recognizing the role of strategic frameworks in supporting effective execution.

The Supervisory Board reviewed the further development of Nedap's value creation and discussed how data-driven decision-making and clearer performance metrics can support sustainable profitability.

Specific strategic updates in 2025 included:

- *Healthcare*
Discussions focused on Nedap's role in supporting the transition toward network care, strengthening scalable SaaS solutions for care providers, and aligning business and pricing models with the long-term accessibility, affordability, and sustainability of the Dutch healthcare system. The Supervisory Board also discussed the role of AI in supporting future value creation.
- *Livestock*
Discussions focused on the scalability and long-term robustness of the business model, including the validation of growth initiatives and value creation at farm level.
- *Retail*
Discussions focused on the continued transition toward an integrated, SaaS-driven inventory management model, with priorities including value creation at store level, ecosystem partnerships, and improved scalability.
- *Security*
The Supervisory Board assessed strategic positioning in a market characterized by increasing regulatory requirements and evolving customer expectations, with attention to strengthening scalable access management solutions and enhancing user experience through digital innovation.

The Supervisory Board also reviewed updates to the multi-year plan and discussed the ambition to further improve profitability and value creation.

In conclusion, the Supervisory Board remains confident that the strategic direction and the increased focus on effectiveness and impact provide a solid foundation for sustainable long-term value creation. The Supervisory Board will continue to monitor progress and support the Board of Directors in executing Nedap's strategic priorities.

Governance and organizational model

The Supervisory Board also devoted attention to the governance and organizational model supporting the execution of Nedap's strategy. In this context, the Supervisory Board discussed and supported adjustments to the governance structure, including the establishment of the NLT functioning as an executive committee.

The Supervisory Board considered the introduction of the NLT an appropriate step to strengthen alignment and coordination on Nedap-wide strategic themes, with accountability remaining with the Board of Directors. The Supervisory Board monitored the implementation of this governance adjustment and will continue to do so in 2026.

Sustainability

Throughout 2025, the Supervisory Board, particularly via its Audit & Risk Committee, exercised oversight over sustainability-related governance, reporting, and risk management.

The Supervisory Board discussed the further embedding of sustainability within Nedap's strategy and business practices, with a specific focus on governance, prioritization, and reporting. In this context, the Supervisory Board took note of the follow-up to the Double Materiality Assessment.

The Supervisory Board was informed of the validation of Nedap's near-term GHG emission reduction targets by the Science Based Targets initiative (SBTi) and noted this as an important development from a credibility and stakeholder perspective.

The Supervisory Board and the Audit & Risk Committee monitored developments related to the Corporate Sustainability Reporting Directive (CSRD), including the scope, timing, and assurance of future reporting requirements. Given the current uncertainty regarding future regulatory obligations, the Supervisory Board took note of the Board of Director's intention not to request external assurance on the sustainability statement at this stage. Particular attention continued to be paid to the quality, consistency, and relevance of non-financial reporting, as well as the clear allocation of sustainability-related responsibilities within the organization.

Diversity, Equity, and Inclusion

Diversity, Equity and Inclusion (DEI) remains an important part of Nedap's long-term value creation and leadership development. In 2025, the Supervisory Board monitored developments in gender balance within leadership positions and discussed the continued implementation of DEI initiatives with the Board of Directors.

While several DEI initiatives continued in 2025, the Supervisory Board noted that advancement towards the target for female representation in senior management remains challenging. Limited inflow and progression in parts of the subtop, combined with low natural turnover in leadership positions, constrained short-term changes in composition. The Supervisory Board discussed these factors and their implications for the company's diversity ambitions. The Supervisory Board will continue to monitor developments in this area, including the proposed review of the diversity steering framework in 2026.

In 2025, the Nedap Leadership Team (NLT) was established and positioned as an Executive Committee. The Supervisory Board approved the inclusion of the NLT within the scope of the DEI policy and reporting framework.

For more information, please refer to [section 2.3 Progress on our people](#).

Collaboration and responsibilities

The Supervisory Board continued to fulfill its oversight role through regular interaction with management and employees across Nedap's business units. These interactions supported an open exchange of views and helped the Supervisory Board remain informed about relevant operational and strategic developments within the organization.

In addition, the Supervisory Board maintained ongoing and constructive engagement with the works council. This dialogue contributed to a shared understanding of organizational priorities, developments, and challenges across the company.

Contact with the NLT further supports the Supervisory Board in remaining well informed about how the Board of Directors draws on the NLT's expertise in shaping, executing, and reviewing the strategy, both in the short and long term. Interaction typically takes place through the CEO. In addition, the Supervisory Board may engage with members of the NLT in a joint setting, for example during thematic or educational sessions, or, where appropriate, in direct exchanges with individual members of the NLT. Such interactions focus on strategic developments, progress in key markets, and the broader organizational context in which the Board of Directors operates.

Risk management

In 2025, the Supervisory Board, particularly via its Audit & Risk Committee, maintained its active oversight of risk management at Nedap, with a continued focus on ensuring a structured and proactive approach. Periodic reviews of key risks and trends took place, with strategic risks discussed in the first half of the year and operational and compliance risks reviewed separately in the second half, enabling more focused assessment.

The Supervisory Board noted continued progress in embedding risk awareness and accountability within the organization. Discussions highlighted the importance of clear ownership and responsibility for risk identification, monitoring, and mitigation. The Supervisory Board emphasized that further strengthening the actionability of risk management remains a key priority.

In this context, the Risk Control Framework, the foundation for the Statement on Risk Management and Control ('Verklaring omtrent Risicobeheersing': VOR), was further developed. The Audit & Risk Committee reviewed the framework and the related VOR and reported its findings to the Supervisory Board, which subsequently approved the framework.

Cybersecurity and IT-related risks continued to receive particular attention given their relevance to both Nedap's internal operations and its solutions. The Supervisory Board also considered developments related to regulatory requirements, such as NIS2.

The Supervisory Board reviewed risk identification and monitoring processes, including consistency across business units and the balance between soft controls and hard controls. The Supervisory Board welcomed steps taken to further enhance risk monitoring.

Overall, the Supervisory Board concluded that Nedap's risk management approach is structured and proactive and remains attentive to further development in light of emerging risks, regulatory developments, and Nedap's strategic priorities.

Committees

During 2025, the Supervisory Board had two committees: an Audit & Risk Committee and a Remuneration Committee. These committees contribute to focused and effective supervision by preparing discussions and enabling more in-depth consideration of specific topics within their respective remits.

Matters discussed at committee level, including key observations and recommendations, are systematically shared and deliberated upon in plenary Supervisory Board meetings.

Audit & Risk Committee

The Audit & Risk Committee supports the Supervisory Board in overseeing the integrity and quality of Nedap's financial reporting, and the effectiveness of its internal risk management and control systems.

During 2025, the composition of the Audit & Risk Committee changed. Until the annual general meeting, the committee included Marijn Pijnenborg. Following the appointment of Karin Bergstein as a member of the Supervisory Board, the committee consisted of Margot Scheltema (Chair), Karin Bergstein, and Sicco Santema. Together, the members bring extensive expertise in financial oversight and risk management.

The committee's role is described in its charter, which is part of the Supervisory Board rules and can be accessed on [Nedap's governance webpage](#). In 2025, the Audit & Risk Committee met six times with representatives of the Board of Directors, including the CFO and, where relevant, the CEO, as well as relevant experts. The internal auditor and the external auditor, PwC, attended all meetings. KPMG representatives joined the final two committee meetings as observers in preparation for their appointment as external auditor for a three-year term beginning in the 2026 financial year.

Key topics discussed during these meetings included:

- Financial reporting, including the annual report and the sustainability statement.
- Risk management and key risks, including core risks, legal claims, developments in the risk management framework, fraud risk management, and compliance-related matters.
- Statement on Risk Management and Control (VOR).
- Internal audit, including the internal audit plan and follow-up on audit findings.
- External audit and assurance, including the audit plan for 2025, preparations for the transition to KPMG as external auditor, and the related engagement arrangements.
- Business continuity and information security, including the transition to a new ERP system, as well as developments relating to NIS2 and other relevant regulatory requirements.
- Sustainability reporting and governance, including updates on CSRD implementation and related regulatory developments.

- Finance and funding, including the new multi-purpose credit agreement and review of the 2026 budget.
- Tax and pension-related matters, including tax policy, the mutual agreement procedure between the Dutch and Hong Kong tax authorities, and developments related to the Dutch Future of Pensions Act.

Remuneration Committee

The Remuneration Committee advises the Supervisory Board on matters relating to the remuneration policy for the Supervisory Board, Board of Directors, and other senior management. Moreover, the committee supports the Supervisory Board in its oversight of nominations, appointments, leadership development, and people and culture-related topics.

In 2025, the composition of the Remuneration Committee changed following the annual general meeting. Jo van Engelen stepped down as a member of the Supervisory Board after the annual general meeting, and Marijn Pijnenborg was appointed Chair of the Remuneration Committee. The Remuneration Committee consisted of Marijn Pijnenborg and Peter van Bommel.

The committee's role is described in its charter, which forms part of the Supervisory Board rules and is available on [the governance webpage](#). In 2025, the Remuneration Committee met six times.

Key topics discussed during these meetings included:

- Remuneration governance, including the adoption of new remuneration policies for the Board of Directors and the Supervisory Board by the annual general meeting, the implementation of the existing remuneration policy, the assessment of variable remuneration outcomes, and the proposed performance objectives for the Board of Directors for the 2025 financial year.
- Board-level succession and leadership transitions, including discussions on the announced CEO transition and the orderly follow-up to the previously announced departure of the CFO.
- Appointments and composition, including the search process for a new CFO and changes in the composition of the Supervisory Board following the annual general meeting, as well as preparations for the appointment of a new CFO following the extraordinary general meeting.
- People and culture, including oversight of HR-related matters, leadership continuity, and progress on DEI.
- Evaluation and accountability, including the evaluation of the functioning of the Board of Directors and the facilitation of the self-evaluation of the Supervisory Board.

Internal auditor

The internal audit function is intended to provide independent assurance on the effectiveness of governance, risk management, and control processes, including compliance with and effectiveness of internal controls, thus adhering to the best practice principle 1.3 of the Corporate Governance Code.

The internal audit function draws on the Institute of Internal Auditors' (IIA) Three Lines Model and is aligned with the COSO framework for internal control. Within this model, the internal auditor operates as the third line.

The internal audit function reports to the CEO. The Audit & Risk Committee oversees the internal audit function and maintains regular contact with the internal auditor. The Board of Directors assesses the internal auditor's performance on an annual basis, taking into account the views of the Audit & Risk Committee.

In November 2025, the Audit & Risk Committee reviewed the internal audit work plan for 2026 together with the internal auditor. Following this review, the Audit & Risk Committee made a recommendation to the Supervisory Board. The internal audit work plan was subsequently approved by the Supervisory Board. The work plan incorporates input from the Supervisory Board, the Board of Directors, and the external auditor.

Throughout 2025, the Audit & Risk Committee was regularly informed about the progress of internal audit activities. In addition, the internal auditor maintained ongoing coordination with the external auditor regarding the progress and outcomes of audit work performed.

In November 2025, the outcomes of the 2025 internal audit work plan and the functioning of the internal audit function were evaluated and discussed. Internal audit activities in 2025 primarily focused on operational audits, including follow-up on prior audit findings, related analyses, and contributions to relevant information security-related discussions.

Meetings and attendance

Throughout the year, the Supervisory Board had six ordinary meetings with the Board of Directors. Three brief meetings were held to discuss the quarterly updates and half-yearly report. Several of the ordinary meetings were preceded by internal deliberations by the Supervisory Board. The brief meetings were conducted online, while the ordinary meetings predominantly took place in person, with some being hybrid or online.

Outside the formal meetings, the Supervisory Board regularly liaised with the Board of Directors by email, phone, or video call to discuss various topics. Where relevant, members of the Supervisory Board paid working visits to the organization to stay informed about the latest state of affairs at the company and market developments. These open and frequent interactions supported effective oversight and informed decision-making by the Board of Directors.

Name	Supervisory Board Attendance	Audit & Risk Committee Attendance	Remuneration Committee Attendance
Mr. P. A. M. van Bommel	9/9	n/a	6/6
Ms. K. T. V. Bergstein	5/5	4/4	n/a
Mr. J. M. L. van Engelen	4/4	n/a	3/3
Ms. M. Pijnenborg	9/9	1/2	6/6
Mr. S. C. Santema	9/9	5/6	n/a
Ms. M. A. Scheltema	8/9	6/6	n/a

Education

In 2025, the Supervisory Board continued to reflect on its educational needs in light of strategic and regulatory developments. In September, a dedicated technology day on AI was held. The Supervisory Board expressed its appreciation for the organization, content, and format of this session, which provided valuable insights into the strategic implications of AI for Nedap.

In addition, the Supervisory Board and the Board of Directors participated in a scenario-based governance exercise facilitated by external advisers. This session focused on strategic decision-making, roles and responsibilities, and effective interaction between governance bodies in complex and dynamic situations.

The Supervisory Board identified the need for additional education in 2026, particularly with respect to SaaS solutions and related business models, to further support its oversight of Nedap's strategic development.

With regard to regulatory developments, the Supervisory Board discussed director training on the implications of the NIS2 directive and noted the added value of a joint approach. Further training is expected to take place in 2026.

These educational activities are in line with the best practice provisions of the Dutch Corporate Governance Code.

Evaluation and appraisal

In line with the Dutch Corporate Governance Code, the Supervisory Board evaluated its own functioning, the functioning of its committees, and the contribution of the individual members. The self-evaluation was conducted through a structured assessment and discussed in a closed session.

Overall, the Supervisory Board concluded that cooperation within the Supervisory Board is effective and that the collective expertise of its members continues to provide a solid basis for fulfilling its supervisory responsibilities.

The evaluation also identified opportunities to build on the effective interaction between the Board of Directors and the Supervisory Board and to further support effective oversight through continued education.

Looking ahead, the Supervisory Board agreed to maintain a strong and consistent focus on strategy, with regular attention to developments in AI, technology, and leadership development as part of its ongoing oversight.

These outcomes will be taken into account in the Supervisory Board's activities in 2026.

Without the Board of Directors present, the Supervisory Board evaluated and assessed the performance of the Board of Directors and the individual members. In the Supervisory Board's view, the Board of Directors demonstrated a solid performance in 2025. The evaluation of the Board of Directors and its members took place by way of meetings with the Board of Directors as a whole and with its individual members, the NLT, and the Works Council. Topics such as communication with the Supervisory Board, individual targets, cooperation within the Board of Directors, Nedap's senior leadership, the business units and staffing departments, potential company risks, and culture and behavior were discussed.

Other

In addition to the topics described above, the Supervisory Board discussed a limited number of other matters during the year that were considered relevant from a supervisory perspective. These included updates on the integration and performance of MediKIT, intellectual property management, and selected operational matters.

The Supervisory Board also approved the tax policy, as described in [chapter 3 Risk & Governance](#) of this annual report, and the extension of the company's financing arrangements.

Groenlo, the Netherlands, 23 February 2026

The Supervisory Board

Mr. P. A. M. van Bommel, Chair

Ms. K. T. V. Bergstein

Ms. M. Pijnenborg, Vice Chair

Mr. S. C. Santema

Ms. M. A. Scheltema

4.2 2025 Remuneration report

The Supervisory Board hereby presents the remuneration report for the members of the Board of Directors and the Supervisory Board for the 2025 financial year.

The remuneration report has been prepared in accordance with the provisions of Article 2:135(b) of the Dutch Civil Code and the Corporate Governance Code 2025. The remuneration report provides information about the remuneration policy pursued during the 2025 financial year to ensure transparency for all stakeholders. On 17 April 2025, the annual general meeting adopted [the current remuneration policy for the Board of Directors](#).

The remuneration policy supports Nedap's strategy and sustainable long-term value creation by aligning total remuneration with long-term performance, strategic priorities and shareholder interests through a balanced mix of fixed remuneration, short-term incentives and long-term incentives.

Implementation of the remuneration policy in 2025

Following adoption by the general meeting, the revised remuneration policies for both the Board of Directors and the Supervisory Board entered into force with effect from 1 January 2025. The policies were implemented as approved, without deviations.

The remuneration framework applied in 2025 reflects Nedap's strategic objectives, governance principles and focus on sustainable long-term value creation. In applying the remuneration policies, the Supervisory Board took into account internal pay ratios, market developments, Nedap's performance and broader societal considerations.

At the annual general meeting of 17 April 2025, the 2024 remuneration report was approved by a majority of the votes cast (99.99%). The Supervisory Board took note of the outcome of the advisory vote and the discussions held at the meeting. As no material objections or points of attention were raised, no amendments to the 2025 remuneration report were deemed necessary (other than those resulting from the implementation of the revised remuneration policies).

Remuneration summary

The table below provides a summary of the costs for the current members of the Board of Directors as recognized in the financial statements.

(€ x 1,000)	Basic income	Variable remuneration	Employee participation plan benefits	Long-Term Incentive (LTI)	Pension costs	Total
2025 ¹						
Mr. R. M. Wegman	505	248	31	71	109	964
Mr. R. Schuurman	363	175	17	50	69	674
Ms. H. P. J. M. Jans	179	86	-	25	30	320
Ms. D. van der Sluijs	559	-	49	-	34	642
Total	1,606	509	97	146	242	2,600
2024						
Mr. R. M. Wegman	486	267	49	-	108	910
Mr. R. Schuurman	306	166	25	-	61	558
Ms. D. van der Sluijs	347	189	31	-	58	625
Total	1,139	622	105	-	227	2,093

¹ Ms. H. P. J. M. Jans's contract commenced on 1 July 2025, and Ms. D. van der Sluijs's contract ended on 31 July 2025. The basic income of Ms. D. van der Sluijs includes a contractual severance payment of €350, relating to her departure following the annual general meeting in 2025 upon termination of her board position.

The table below provides a summary of the remuneration awarded to the members of the Board of Directors in the financial year.

(€ x 1,000)		Fixed remuneration		Variable remuneration				Total remuneration	Variable remuneration as % of total remuneration
		1. Basic salary ¹	2. Pension and other allowances	3. Variable remuneration		4. Share-based remuneration			
				3a. Paid out	3b. Used to purchase depositary receipts ²	4a. Purchase discount for depositary receipts ³	4b. 4:1 Matching depositary receipts ⁴		
Mr. R. M. Wegman, CEO	2025	492	109	248	-	15	48	912	34%
	2024	473	108	-	267	17	48	913	36%
Mr. R. Schuurman, CCO	2025	350	69	175	-	9	9	612	32%
	2024	294	61	-	166	10	11	542	35%
Ms. H. P. J. M. Jans, CFO	2025	173	30	86	-	-	-	289	30%
	2024	-	-	-	-	-	-	-	-
Ms. D. van der Sluijs	2025	552	35	-	-	8	18	613	4%
	2024	334	58	47	142	12	-	593	34%

¹ The basic salary does not include the employer's social security contributions.

² 'Depositary receipts' means 'certificates'.

³ This is the amount of the discount given on the purchase of depositary receipts in the financial year.

⁴ This is the value of the depositary receipts awarded.

Fixed annual income

The fixed annual income is in line with the current remuneration policy and is incremented at the same rate as the rate used for employees, as agreed in Nedap's collective labor agreement.

Variable annual income

Variable remuneration for the Board of Directors in 2025 consisted of a Short-Term Incentive (STI) and a Long-Term Incentive (LTI), reflecting the revised remuneration structure.

Short-Term Incentive (STI)

The STI is designed to incentivize the achievement of Nedap's annual strategic, operational and financial priorities. For 2025, the STI was composed of:

- 50% financial performance criteria; and
- 50% non-financial performance criteria.

The financial and non-financial performance criteria were determined ex ante by the Supervisory Board and aligned with Nedap's strategy and key priorities. The specific criteria applied for 2025 were disclosed prior to the start of the performance year.

The STI payout is determined using an additive model, based on the extent to which predefined threshold, target and maximum performance levels were achieved. Performance below threshold does not result in a payout.

After the end of the financial year, the Supervisory Board assessed the actual performance against the predetermined criteria and determined the STI outcome in accordance with the remuneration policy. In doing so, the Supervisory Board applied a reasonableness and fairness test and concluded that the resulting outcome appropriately reflected both performance achieved and the manner in which that performance was realized.

(In € x 1M or as a percentage)	Target	Performance	Share of variable remuneration
Financial performance			
EBIT	11.1%	11.3%	9%
Recurring revenue	114.7	111.5	6%
Working capital ratio	14%	9%	12%
Total financial performance			27%
Non-financial performance			
Customer focus	3.0	2.7	11%
Strategic business transformation	3.0	2.9	12%
Total non-financial performance			23%
Total performance			50%

Financial performance criteria

The financial targets have been split up into three sub-targets. The table above shows each sub-target, along with the extent to which it was achieved in the 2025 financial year and how much of the variable remuneration it represents.

Based on the above table, the Board of Directors is awarded a financial targets-related variable component of their annual income that represents 27% of their fixed annual income.

Non-financial performance criteria

The non-financial component of the STI for 2025 was based on two criteria: (i) Strategic business transformation and (ii) Customer focus. Both criteria were weighted equally.

The Supervisory Board defined four performance levels for each criterion (below threshold, threshold, target and maximum), linked to predefined qualitative criteria and corresponding payout percentages of 0%, 50%, 100% and 150%, respectively. Between threshold, target and maximum, payout is determined on a linear basis.

Strategic business transformation

In 2025, Nedap implemented a structured company-wide approach, in line with its Create & Scale growth strategy, to strengthen the execution of strategic priorities. Strategic investment propositions were assessed against defined commercial, operational and development criteria, aimed at achieving sustainable performance within predefined timeframes. Accountability for execution and follow-up was explicitly assigned, and progress was monitored periodically using a limited set of indicators to support prioritization and capital allocation decisions.

The approach has been embedded within the Healthcare and Retail markets. In the Security and Livestock markets, initial execution cycles were completed in 2025.

The Supervisory Board notes an improvement in execution cadence and follow-up of strategic initiatives during 2025. In view of the predefined criteria for this target, including the degree of implementation, consistency of use across markets and teams, and observable impact on execution, the Supervisory Board determined that performance was between threshold and target level, close to target.

Based on this assessment, the Supervisory Board awarded 12% variable pay for this component.

Customer focus

In 2025, Nedap further developed its structured end-to-end customer process across sales, marketing, account management and customer excellence. For relevant SaaS teams, the BowTie methodology was implemented and embedded in commercial systems, contributing to greater consistency in pipeline management and improved insight into conversion data. For certain propositions, further integration remains in progress.

In assessing performance against the predefined criteria, including the level of roll-out, system integration and the use of conversion data for steering, the Supervisory Board concluded that performance was between threshold and target level, close to target.

Based on this assessment, the Supervisory Board awarded 11% variable pay for this component.

Long-Term Incentive (LTI) plan

The Long-Term Incentive (LTI) plan for the Board of Directors is designed to promote sustainable long-term value creation and to align the interests of directors with those of shareholders. The LTI takes the form of a Performance Share Unit (PSU) plan, under which conditional performance shares are granted annually. The on-target value of the LTI award amounts to 50% of fixed annual income, with a maximum opportunity of 75%, depending on performance. Vesting is subject to the achievement of predefined performance criteria measured over a three-year performance period (2025–2027). These criteria comprise sales growth within key markets (40%), earnings per share growth (35%) and ESG objectives (25%), reflecting Nedap’s strategic, financial and sustainability priorities. For each criterion, vesting ranges from 0% below threshold to a maximum of 150% at outstanding performance. Shares that vest after the three-year performance period are subject to a subsequent two-year holding period, during which members of the Board of Directors are required to retain the shares, except for those sold to meet tax and social security obligations. This structure reinforces a long-term focus and supports sustained value creation for the company.

The number of conditionally granted performance shares under the LTI plan is determined by reference to the average Nedap share price over the five trading days immediately preceding the grant date. The fair value of the granted PSUs is determined at grant date in accordance with applicable accounting standards. In calculating the fair value, an adjustment is applied to reflect the absence of dividend entitlement during the vesting and holding periods. This adjustment is based on a discount equal to the average dividend yield of Nedap shares over the past five years.

Given the commercially sensitive nature of certain targets, detailed quantitative target ranges will be disclosed ex post, following completion of the performance period.

2025	Basic salary as of 31/12 (€ x 1,000)	Award value	Share price (€ x 1)	Granted PSUs (items x 1)	Fair value (€ x 1)	Costs (€ x 1,000)
Mr. R. M. Wegman	496	50%	62.40	3,977	53.77	71
Mr. R. Schuurman	350	50%	62.40	2,805	53.77	50
Ms. H. P. J. M. Jans	345	50%	62.40	1,382	53.77	25
Total						146

In 2025, no PSUs vested or were forfeited.

Share ownership and alignment with shareholders

In accordance with the remuneration policy, share ownership guidelines apply to the members of the Board of Directors with the objective of strengthening alignment with the long-term interests of shareholders.

Under these guidelines, the CEO is required to hold shares representing 150% of gross fixed annual income, while the other members of the Board of Directors are required to hold shares representing 100% of gross fixed annual income.

Share ownership is built up gradually, primarily through the vesting of performance shares awarded under the Long-Term Incentive (LTI) plan. Directors are permitted to sell shares at vesting to cover tax and social security obligations. Share positions accumulated under previous remuneration arrangements are taken into account when assessing compliance with the guidelines.

The Supervisory Board monitors compliance with the share ownership guidelines on an ongoing basis. As the LTI plan was introduced in 2025, the required shareholding levels have not yet been fully achieved by all members of the Board of Directors. No cases of non-compliance occurred in 2025.

Overview of share ownership

(As of 31 December)		Gross fixed annual income (€ x 1,000)	Depository receipts or shares held (x 1)*	Share price (€ x 1)	Share ownership (€ x 1,000)	Share value in percentage of gross income
Mr. R. M. Wegman, CEO	2025	492	55,069	89.90	4,951	1,006%
	2024	473	51,608	55.00	2,838	600%
Mr. R. Schuurman, CCO	2025	350	10,426	89.90	937	268%
	2024	294	8,592	55.00	473	161%
Ms. H. P. J. M. Jans, CFO	2025	345	-	89.90	-	-
	2024	-	-	55.00	-	-

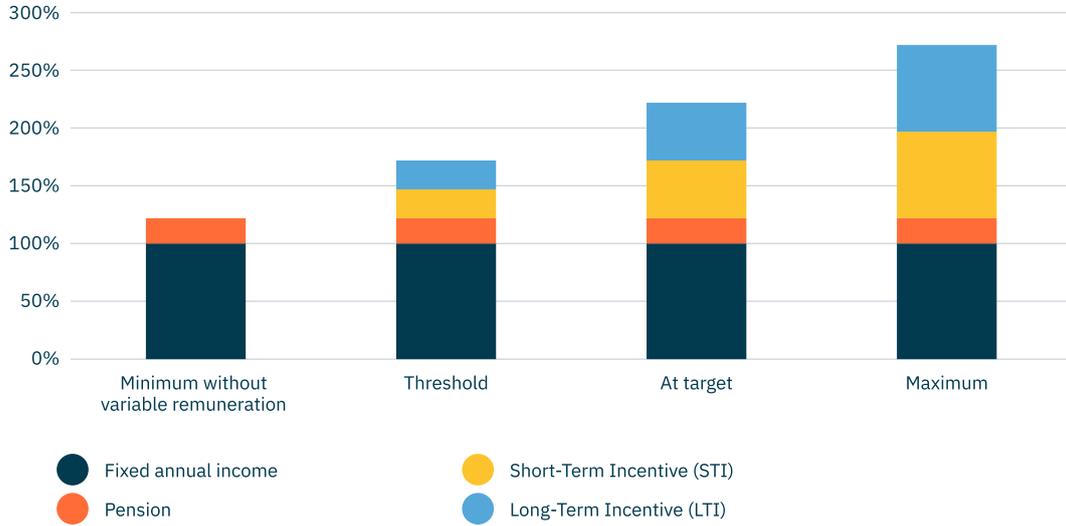
* Ms. D. van der Sluijs's shareholding position is not included, as she stepped down as a director under the articles of association. Mr. R. M. Wegman holds both shares and depository receipts. Mr. R. Schuurman holds depository receipts.

Directors' pay mix

Performance Level	STI (% of Fixed Annual Income)	LTI (% of Fixed Annual Income)	Total Variable Remuneration
Minimum	0%	0%	0%
Threshold	25%	25%	50%
At target	50%	50%	100%
Maximum	75%	75%	150%

Board member remuneration scenarios (as % of basic salary)

Remuneration report



Share-based remuneration

(Items x 1)		Depository receipts or shares held as of 1/1*	Depository receipts purchased	Bonus depository receipts awarded	Depository receipts or shares sold	Depository receipts or shares held as of 31/12*	Contingent bonus depository receipts as of 1/1	Contingent bonus depository receipts awarded	Bonus depository receipts awarded	Contingent bonus depository receipts as of 31/12**
Mr. R. M. Wegman, CEO	2025	51,608	2,726	735	-	55,069	2,817	682	-735	2,764
	2024	48,277	2,628	703	-	51,608	2,863	657	-703	2,817
Mr. R. Schuurman, CCO	2025	8,592	1,692	142	-	10,426	1,182	423	-142	1,463
	2024	6,806	1,631	155	-	8,592	929	408	-155	1,182
Ms. D. van der Sluijs	2025	6,469	1,443	272	-	8,184	1,618	-	-272	-
	2024	4,614	1,855	-	-	6,469	1,154	464	-	1,618

On the date of delivery in 2025, the bonus depository receipts represented a value of €65.80 (in 2024: €68.20).

* The number of shares and depository receipts for shares held by a director after stepping down as director under the articles of association is no longer recognized where the costs are no longer charged to the company in the financial year covered by the report. R. M. Wegman holds both shares and depository receipts. D. van der Sluijs and R. Schuurman hold depository receipts.

** Contingent bonus depository receipts for Ms. D. van der Sluijs were forfeited after stepping down as director under the articles of association.

Change in remuneration (€ x 1,000)	2025	2024	2023	2022	2021	2025-2021
Change in director's remuneration vs last year						
Mr. R. M. Wegman, CEO	0% (912)	-2% (913)	5% (930)	0% (883)	11% (885)	3%
Mr. R. Schuurman, CCO	13% (612)	0% (542)	8% (541)	- (503)	-	-
Ms. H. P. J. M. Jans, CFO	- (578)	-	-	-	-	-
Ms. D. van der Sluijs	3% (613)	-1% (593)	6% (601)	0% (565)	29% (564)	9%
Supervisory Board members						
Mr. P. A. M. van Bommel	32% (66)	0% (50)	0% (50)	25% (50)	- (40)	65%
Ms. K. T. V. Bergstein	- (46)	-	-	-	-	-
Mr. J. M. L. van Engelen	15% (46)	0% (40)	0% (40)	0% (40)	33% (40)	-68%
Mr. G. F. Kolff	-	-	-	0% (50)	25% (50)	-
Ms. M. Pijnenborg	23% (49)	0% (40)	0% (40)	0% (40)	33% (40)	23%
Mr. S. C. Santema	15% (46)	0% (40)	- (40)	-	-	-
Ms. M. A. Scheltema	23% (49)	0% (40)	0% (40)	0% (40)	33% (40)	23%
Change in Nedap's performance	69%	-9%	22%	-7%	27%	105%
<i>Change in median employee remuneration</i>	10% (109)	0% (99)	9% (99)	3% (91)	49% (88)	
<i>CEO pay ratio</i>	8.9	9.2	9.2	9.6	9.9	

If a director or Supervisory Board member was a member of the Board of Directors or Supervisory Board for only part of a year, their remuneration is presented on a pro rata basis for comparison purposes. The change in remuneration for the members of the Board of Directors and Supervisory Board is measured by dividing remuneration for the financial year by remuneration received in the previous financial year. If the date of appointment as director under the articles of association or Supervisory Board member is not 1 January, the change is recognized on a pro rata basis in the financial year following the year of joining.

The change in the pay ratio is primarily driven by the variable nature of the CEO's remuneration. A larger portion of the CEO's compensation depends on performance-based components, which can fluctuate from year to year. In contrast, employee remuneration is more stable and follows a more gradual change path, resulting in a different overall development of remuneration levels and, consequently, the pay ratio. In compliance with the Corporate Governance Code disclosure requirements, provision 3.4.1(iv), the pay ratio for 2020 is 9.7.

The 2025-2021 column shows the relative change as of 31 December 2025 compared to the beginning of 2021.

The change in Nedap's performance in any financial year is the change in the closing price of Nedap shares in the financial year, plus the dividend paid for the financial year, divided by the closing price of Nedap shares in the previous financial year.

Use of reclaiming scheme

In accordance with the remuneration policy and Article 2:135(8) of the Dutch Civil Code, the Supervisory Board has the authority to reclaim variable remuneration awarded to members of the Board of Directors (claw back or hold back), where applicable. In 2025, no variable remuneration was reclaimed or adjusted, and the reclaiming scheme was not applied.

Deviations from the remuneration policy

There were no deviations from the remuneration policy.

Loans and guarantees

The company has not granted members of the Board of Directors any loans or guarantees.

Pay ratio

Nedap follows the recommendation of the Corporate Governance Monitoring Committee as reflected in the Dutch Corporate Governance Code 2025. In this context, the pay ratio is defined as the ratio between (i) the total annual remuneration of the CEO and (ii) the average annual remuneration of employees of the company and its group companies included in the consolidated financial statements, whereby:

The total annual CEO pay includes all pay components (fixed pay, variable pay in cash (bonus), share-based pay, social security contributions, pension, expense allowance, etc.), as recognized in the (consolidated) financial statements prepared based on IFRS accounting standards.

Employees' average annual pay is calculated by dividing total wage and salary costs in the financial year (as recognized in the (consolidated) financial statements prepared based on IFRS accounting standards) by the average number of FTEs at the company during the financial year. The pay of insourced external workers is factored in on a pro rata basis, on the condition that they worked for the company for at least three months during the financial year. The value of the share-based part of the pay is calculated on the date that it is awarded, as per the applicable IFRS accounting standards requirements.

The pay ratio for 2025 is 8.9. In 2024, the pay ratio was 9.2.

Ex ante disclosure of STI and LTI performance criteria 2026

In line with the current remuneration policy, the Supervisory Board provides ex ante disclosure of the performance criteria that will apply to the variable remuneration of the Board of Directors for the 2026 financial year.

The performance criteria for both the Short-Term Incentive (STI) and the Long-Term Incentive (LTI) are aligned with Nedap's strategy, long-term value creation objectives and sustainability ambitions. The Supervisory Board annually reviews and determines the applicable criteria, taking into account strategic priorities, internal and external developments and stakeholder interests.

Short-Term Incentive (STI) 2026

For 2026, the STI will continue to consist of a balanced set of financial and non-financial performance criteria, each representing 50% of the total STI opportunity.

The financial performance criteria for 2026 are based on three equally weighted criteria:

- *Recurring revenue*
Reflects the stability and predictability of revenue streams from ongoing customer contracts and subscriptions.
- *EBIT margin*
Measures operational profitability by evaluating earnings before interest and taxes as a percentage of revenue. It reflects Nedap's ability to generate profit from its core operations.
- *Working capital ratio*
Working capital is used as a key indicator due to its direct impact on operational efficiency and financial stability. Effective working capital management contributes to a healthy cash flow and enables Nedap to make investments that support sustainable growth. This approach aligns well with the current phase of the business model, where capital efficiency plays an important role.

The non-financial performance component for 2026 is based on two equally weighted criteria:

- *Customer process scalability and internationalization*: Focused on the further development of a predictable, repeatable and internationally scalable customer process for XaaS propositions. This includes the clarification of roles and responsibilities, alignment across business units, and the structural embedding of processes and systems to support scalable growth.
- *Joint technology foundation (Cloud, AI and Data)*: Focused on establishing a shared technology foundation to support cloud-based, data-driven and AI-enabled development across the organization.

Long-Term Incentive (LTI) 2026–2028

The LTI grant for 2026 will be based on performance over a three-year period (2026–2028) and will consist of conditional performance share units.

The LTI performance criteria will continue to reflect Nedap's focus on sustainable long-term value creation and include:

- *Sales growth (40%)*
The growth target is based on the average annual revenue growth within key markets over the 2026-2028 period.
- *Earnings per Share (EPS) (35%)*
The objective is to achieve ambitious EPS growth in line with Nedap's strategic and financial ambitions.
- *ESG-related performance objectives (25%)*
Nedap aims for an annual intensity-based reduction in scope 3 GHG emissions per million euros of added value, in line with the Science Based Targets initiative (SBTi). This means that the 2028 target is set for a sustainable intensity-based reduction of GHG emissions per million euros of added value.

Supervisory Board member remuneration

On 17 April 2025, the annual general meeting adopted the current remuneration policy for the Supervisory Board. The policy reflects the increased responsibilities, time commitment and committee structure of the Supervisory Board.

Supervisory Board members receive fixed remuneration only, supplemented by committee fees where applicable. Remuneration is not linked to company performance and does not include variable or share-based components.

The amounts paid are in line with the remuneration policy for Supervisory Board members. The table below lists the remuneration that (former) Supervisory Board members received for the 2025 and 2024 financial years.

Supervisory Board members (€ x 1,000)	2025	2024
Mr. P. A. M. van Bommel	66	50
Ms. K. T. V. Bergstein (from 17 April 2025)	33	-
Mr. J. M. L. van Engelen (until 17 April 2025)	13	40
Ms. M. Pijnenborg	49	40
Mr. S. C. Santema	46	40
Ms. M. A. Scheltema	49	40

The company has not granted Supervisory Board members any loans or guarantees.

5. Financial statements



5.1 Consolidated financial statements

Consolidated balance sheet as of 31 December (€ x 1,000)

Assets	Note	2025	2024
<i>Fixed assets</i>			
Intangible fixed assets	1	13,687	13,706
Tangible fixed assets	2	45,801	43,845
Deferred tax assets	3	139	839
		59,627	58,390
<i>Current assets</i>			
Inventories	4	29,966	32,038
Income tax receivable		46	1,974
Trade and other receivables	5	43,363	40,623
Cash and cash equivalents	6	3,376	4,357
		76,751	78,992
		136,378	137,382
Liabilities			
<i>Group equity</i>			
Shareholders' equity	7	89,515	83,703
<i>Non-current liabilities</i>			
Borrowings	8	-	14,000
Lease liabilities	9	2,933	756
Employee benefits	10	1,043	1,061
Provisions	11	557	464
Deferred tax liabilities	3	614	457
		5,147	16,738
<i>Current liabilities</i>			
Lease liabilities	9	1,489	988
Employee benefits	10	82	59
Provisions	11	638	878
Bank overdrafts	12	-	-
Income tax payable		1,098	161
Taxation and social security contributions		6,084	4,358
Trade and other payables	13	32,325	30,497
		41,716	36,941
Total liabilities		46,863	53,679
		136,378	137,382

Consolidated statement of profit or loss (€ x 1,000)

	Note	2025	2024
Revenue	14	279,813	251,606
Cost of materials and outsourced work		-76,736	-64,418
Inventory movements of finished goods and work in progress		1,627	-7,290
		-75,109	-71,708
Added value		204,704	179,898
Personnel costs	15	-127,873	-114,802
Amortization	16	-1,576	-570
Depreciation	17	-10,181	-9,896
Impairment of assets	18	-566	-278
Other operating costs	19	-32,763	-30,463
Operating costs		-172,959	-156,009
Operating result		31,745	23,889
Financing income		28	89
Financing costs		-639	-1,033
Net financing costs		-611	-944
Result before taxation		31,134	22,945
Taxation	20	-6,548	-4,418
Result for the financial year		24,586	18,527
Result attributable to shareholders of Nedap N.V.		24,586	18,527
Average number of outstanding shares	7	6,605,616	6,581,074
Earnings per ordinary share (€ x 1)		3.72	2.82
Diluted earnings per ordinary share (€ x 1)		3.72	2.82

Consolidated statement of comprehensive income (€ x 1,000)

	2025	2024
Result for the financial year	24,586	18,527
Unrealized result		
Items that will (or may) be reclassified to profit or loss after initial recognition:		
Currency translation differences	-1,150	518
Unrealized result for the financial year, after taxation	-1,150	518
Total realized and unrealized result for the financial year	23,436	19,045
Total realized and unrealized result for the financial year attributable to:		
Nedap N.V. shareholders	23,436	19,045

Consolidated statement of cash flows (€ x 1,000)

	Note	2025	2024
Cash flow from operating activities			
Result for the financial year		24,586	18,527
Adjustments for:			
Depreciation and amortization including impairment	16,17,18	12,323	10,744
Book result on sale of tangible fixed assets		-174	-154
Net financing costs		611	944
Share-based remuneration		2,610	-1,806
Income taxes	20	6,548	4,418
		21,918	14,146
Movements in trade and other receivables	5	-3,260	-3,875
Movements in inventories	4	1,519	7,203
Movements in taxation and social security contributions		1,733	305
Movements in trade and other payables		1,631	-505
Movements in employee benefits	10	4	34
Movements in provisions	11	-147	-350
		1,480	2,812
Interest paid		-658	-950
Interest received		28	89
Income tax paid		-2,838	-5,753
		-3,468	-6,614
Cash flow from operating activities			
		44,516	28,871
Cash flow from investing activities			
Investments in tangible fixed assets	2	-7,961	-10,897
Investments in intangible fixed assets	1	-2,122	-4,175
Proceeds from sale of tangible fixed assets		534	367
Cash flow from investing activities			
		-9,549	-14,705

Consolidated statement of cash flows (€ x 1,000)

	<i>Note</i>	2025	2024
Cash flow from financing activities			
Repayments on long-term borrowings and derivatives	8,21	-14,000	-
Lease payments		-1,485	-1,211
Dividend paid to shareholders of Nedap N.V.		-21,154	-21,083
Sale of own shares		920	2,216
Cash flow from financing activities		-35,719	-20,078
Movements in cash and cash equivalents and bank overdrafts			
Cash and cash equivalents and bank overdrafts as of 1 January		4,357	10,156
Exchange differences for cash and cash equivalents and bank overdrafts		-229	113
Cash and cash equivalents and bank overdrafts as of 31 December		3,376	4,357

Consolidated statement of changes in shareholders' equity (€ x 1,000)

	Share capital	Legal and statutory reserves	Other reserves	Result attributable to shareholders	Total shareholders' equity
Balance as of 1/1/2024	669	2,093	60,928	21,641	85,331
Realized result for financial year	-	-	-	18,527	18,527
Unrealized result for financial year	-	518	-	-	518
Result for financial year	-	518	-	18,527	19,045
Dividend	-	-	-21,083	-	-21,083
Appropriation of result for previous financial year	-	2,485	19,156	-21,641	-
Movement in share-based remuneration	-	-	-1,806	-	-1,806
Movement in own shares	-	-	2,216	-	2,216
Balance as of 31/12/2024	669	5,096	59,411	18,527	83,703
Realized result for financial year	-	-	-	24,586	24,586
Unrealized result for financial year	-	-1,150	-	-	-1,150
Result for financial year	-	-1,150	-	24,586	23,436
Dividend	-	-	-21,154	-	-21,154
Appropriation of result for previous financial year	-	339	18,188	-18,527	-
Movement in share-based remuneration	-	-	2,086	-	2,086
Movement in own shares	-	-	1,444	-	1,444
Balance as of 31/12/2025	669	4,285	59,975	24,586	89,515

Movement in own shares concerns the sale of shares held by the company itself to cover employee participation plans, plus or minus changes in shareholders' equity relating to the recognition of liabilities under IFRS 2 regarding these employee participation plans.

Consolidated statement of changes in shareholders' equity (€ x 1,000)

Share-based remuneration reserve ¹	2025	2024
Bonus depositary receipts	603	627
10% purchase discount	145	139
LTI Board of Directors	146	-
NAPP reserve	1,958	-
Total	2,852	766

¹ The share-based remuneration reserve is part of 'other reserves' in the shareholders' equity.

Legal and statutory reserves	2025	2024
Capitalized development costs	5,174	4,804
Exchange differences	-901	280
Result from participations not freely distributable	12	12
Total	4,285	5,096

Dividend per share (€ x 1) for the 2025 financial year has been set at €3.70 (in 2024: €3.20).

Accounting policies

Foreign currency

The financial statements are presented in euros, which is Nedap's functional and presentational currency. Profits or losses and financial positions of consolidated companies in a functional currency other than the euro are converted to euros as follows: assets and liabilities are converted at the exchange rate as of the balance sheet date, and income and costs are converted at the average exchange rate. Exchange differences on participations are added or charged to the statutory reserves via other comprehensive income.

Transactions in foreign currencies are converted into the functional currency at the exchange rate on the transaction date. Profits and losses arising as a result of the settlement of such transactions are recognized in the statement of profit or loss.

Financial instruments

Regular purchases and sales of financial assets are entered on the transaction date. Financial assets are no longer recognized on the balance sheet when rights to receive cash flows from the financial assets have either expired or been transferred, and the group has transferred virtually all risks and benefits of ownership.

Non-derivative financial instruments

Non-derivative financial instruments are loans receivable, trade and other receivables, cash and cash equivalents, borrowings and trade and other payables, excluding projects in progress. On initial recognition, non-derivative financial instruments are recognized at fair value, with directly attributable transaction costs included on initial recognition. After initial recognition, non-derivative financial instruments (excluding cash and cash equivalents) are recognized at amortized cost less expected credit losses.

Profits or losses ensuing from changes in the measurement of these instruments are recognized in the statement of profit or loss under other operating costs.

Intangible fixed assets

Intangible fixed assets, including capitalized development costs and assets in progress and prepayments, are recognized at historical cost less accumulated amortization and impairment losses.

Research

Costs relating to research activities are recognized in the statement of profit or loss at the time of occurring.

Development

Any development costs for which future economic benefits can reliably be estimated, that can be reliably measured and that were not incurred for the maintenance of an existing product or adaptation to suit new market circumstances are capitalized.

All other development costs are recognized in the statement of profit or loss at the time of occurring. The recognized value of capitalized development costs consists of external and directly attributable internal costs and overheads. Capitalized projects are technically feasible and Nedap intends to implement them. Nedap has access to (or is able to obtain) sufficient technical, financial and other resources to finalize and market the products it has developed.

Government grants

Government grants are credited to the statement of profit or loss when there is reasonable certainty that the government grant will be received and that the group will be able to meet all associated conditions. Pending government grants to which Nedap can lay claim are recognized on the balance sheet under trade and other receivables. If the government grant relates to the purchase, manufacturing or creation of an asset, the government grant is deducted from the asset in question.

Amortization of intangible fixed assets

Capitalized development costs are amortized on a straight-line basis. The amortization rate varies between 12.5% and 20.0%.

Other

Software and licenses acquired are recognized at historical cost less accumulated amortization and impairments. Amortization is applied on a straight-line basis over the estimated economic life. The amortization rate varies between 12.5% and 20.0%.

Tangible fixed assets

Tangible fixed assets purchased or manufactured are recognized at historical cost less accumulated depreciation and impairment.

Costs of tangible fixed assets are capitalized as 'in progress' under tangible fixed assets when they are not yet ready to be commissioned. As soon as the asset has been completed, it will be included in the asset category that corresponds to the asset. The recognized value of assets manufactured in-house consists of external costs and directly attributable internal costs and overheads. Tangible fixed assets are classified as 'assets held for sale' provided assets are indeed available for immediate sales and are highly likely to be sold. Available-for-sale tangible fixed assets are recognized at book value or lower fair value, less selling costs. Available-for-sale tangible fixed assets are not depreciated.

Depreciation of tangible fixed assets

Depreciation of tangible fixed assets is applied on a straight-line basis over the estimated economic life. Land is not depreciated.

The annual depreciation rates are:

Company buildings and premises	3% to 10%
Machinery	18%
Installations	7% to 10%
Other equipment	20% to 33%

Depreciation rates are evaluated annually and adjusted if necessary.

Leases

Leases are recognized as a right-of-use asset and corresponding liability on the date on which the right-of-use asset is available to Nedap.

The lease terms differ per lease. They range from one to five years and reflect a term that is shorter than or equal to the useful life of the underlying asset.

Contracts can contain both lease and non-lease components. Nedap attributes the contract fee to the lease and non-lease components based on their relative autonomous prices.

Nedap has opted to treat lease and non-lease components as separate items. Non-lease components are mainly service-related services.

Assets and liabilities ensuing from a lease and recognized as lease components are initially measured at present value. After initial measurement at cost less any depreciation and any accumulated impairment losses, the right-of-use assets are, after initial recognition, corrected for any revaluation of the lease liability as a result of reassessments or lease modifications.

Lease liabilities include the net present value of the fixed lease payments and variable lease payments based on an index or price, initially measured using the index or price as it is on the lease commencement date.

Lease payments made under reasonably certain options for extension of the lease are also included in the measurement of the liability. In determining the lease term, the management factors in all information and circumstances that constitute economic incentives to exercise an extension option.

If any improvements made to the asset are expected to lead to significant residual value, it is generally reasonably certain that Nedap will choose to extend the lease. Otherwise, Nedap takes other factors into account, such as past lease terms and the costs and business disruptions that would be inevitable when replacing the leased asset.

Lease payments are factored in based on the imputed rate of interest in the lease. If that rate cannot be determined easily, which is generally the case for leases at Nedap, the lessee's incremental borrowing rate of interest is used, i.e. the rate at which the individual would have to pay interest to borrow the funds needed to acquire a similar-value right-of-use asset in a comparable economic environment with comparable conditions and guarantees.

Nedap is subject to possible future increases of variable lease payments based on an index or rate, which are not recognized in the lease liability until they become effective. When adjustments to lease payments based on an index or rate become effective, the lease liability is reassessed and adjusted to the right-of-use asset.

Lease payments are split up into right-of-use assets and financing costs. The financing costs are charged to the profit or loss for the lease period to generate a constant periodical interest rate for the remaining balance of the liability for each applicable period. Right-of-use assets are measured at cost, which is made up of:

- The amount of the first measurement of lease liabilities;
- All lease payments made on or before the commencement date, less lease benefits received;
- Any initial direct costs; and
- Acceptable restoration costs.

Right-of-use assets are generally depreciated on a straight-line basis over the lease term or the asset's service life, whichever is the shortest period. If Nedap is reasonably certain that it will exercise a purchase option, the right of use is depreciated over the useful life of the underlying asset.

Payments under short-term leases and all leases for low-value assets are recognized in the statement of profit or loss as a cost. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a new-for-old value of under €5,000.

Deferred tax assets

Deferred tax assets relate to losses brought forward and temporary differences between the book value of assets and liabilities and the tax book values of these items. The liability method has been used for calculating deferred tax assets and liabilities. Deferred tax assets are calculated, for each fiscal entity, at the tax rates that are expected to apply when they are realized. Deferred tax assets are only recognized if it is likely that these can be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax assets and liabilities and they relate to taxes levied by the tax authorities on the same taxable entity or on various tax entities, but are intended to settle offset current tax liabilities and assets or will realize their tax liabilities and assets simultaneously.

Inventories

Inventories are recognized at either cost or net realizable value, whichever is lower. Cost is determined based on the First-In-First-Out method (FIFO). Net realizable value is the estimated selling price less costs to be incurred. The cost of products in progress and Nedap-manufactured finished goods includes direct manufacturing costs, plus a mark-up for indirect manufacturing and purchasing costs. Inventories are revalued downward based on expected realizable value, provided this is lower than cost. These downward revaluations are applied based on age, sales projections, expected usage or a combination of the above.

Cash and cash equivalents

Cash and cash equivalents may include deposits held with banks that are available on demand, other short-term investments that are very liquid and have an original term of three months or shorter, and which can be converted immediately to specific cash amounts, while also involving negligible exposure to the risk of changes in value, as well as bank overdrafts or current-account receivables. Cash balances and current-account receivables are recognized under cash and cash equivalents in current assets, while bank overdrafts are recognized as bank overdrafts under current liabilities on the balance sheet.

Impairment of assets

The book value of assets is reviewed mid-year and at year-end for any indication of impairment. If indications of impairment are found, impairment is recognized based on realizable value, which is either the direct realizable value or value in use, whichever is the highest. Impairment is recognized in the statement of profit or loss. If information or circumstances arise in a subsequent period that show that the value of the asset has increased, causing the impairment to fully or partially cease to apply, the impairment is revoked.

The book value of the asset is raised to the revised realizable value, albeit never beyond the book value that would have been recognized if impairment had not taken place. The increase is incorporated directly into the statement of profit or loss. Assets both in use and not yet in use are involved in determining impairment.

Statutory reserves

Statutory reserves are non-distributable reserves formed for the amount of development costs capitalized on the balance sheet, for exchange differences for participations and for the share in participations which cannot be freely obtained. Statutory reserves have also been included in the consolidated statement of changes in shareholders' equity to ensure reconciliation with the shareholders' equity as recognized in the company financial statements.

Share-based remuneration

Nedap operates two plans that give employees the option to invest in Nedap depositary receipts through Stichting Medewerkerparticipatie Nedap (subsequently referred to as 'the Stichting'): the Employee Participation Plan ('the Plan') and the Nedap Additional Participation Plan ('the NAPP').

The value of these plans is recognized as cost in the statement of profit or loss, while the amount charged to the profit or loss is recognized in the shareholders' equity, to the extent that share-based remuneration is settled through equity instruments of the legal entity. The part settled in cash and cash equivalents is recognized under liabilities. The total amount to recognize as cost is the fair value of the depositary receipts awarded without factoring in performance-related conditions. Over the period that such performance is delivered, the total amount to recognize as cost is charged to the profit or loss on a straight-line basis.

Since 2010, the Plan has offered Nedap N.V. employees the option to use part or all of their annual share in the profits to purchase Nedap depositary receipts. Besides the option to invest the amount of their share in the profits in the Stichting in exchange for depositary receipts, business unit leaders are required to invest at least 50% of their variable remuneration in Nedap depositary receipts. This requirement also applied to the Board of Directors up to and including 2024. As from 2025, following the introduction of the Long-Term Incentive (LTI) plan, variable remuneration for the Board of Directors is structured through the LTI, which provides a long-term incentive by design.

After purchase, depositary receipts will be the unconditional property of the holder and they cannot be sold for a period of four years. The holder of the depositary receipt is immediately entitled to the full dividend per share. Besides the purchase discount, a bonus depositary receipt is awarded for every four depositary receipts after four years, provided certain conditions are met. Bonus depositary receipts entitle the holder to dividend from the moment they are awarded.

The value of the bonus depositary receipts has been derived from the Nedap share price on the Euronext Amsterdam stock exchange. This value is corrected for the dividends expected during the period of four years during which the depositary receipts are locked up.

In addition to the above-mentioned employee participation plans, Nedap introduced a Long-Term Incentive plan for the Board of Directors with effect from 2025. The LTI qualifies as share-based remuneration and is accounted for in accordance with applicable accounting standards for equity-settled share-based payment arrangements. The fair value of the conditionally granted performance share units is determined at grant date and is recognized as an expense in the statement of profit or loss over the three-year vesting period, with a corresponding increase in equity. The expense recognized is adjusted for expected vesting based on the achievement of non-market performance conditions, while market-related conditions are reflected in the grant-date fair value and are not subsequently adjusted.

Defined-contribution pension plan

Since 1 January 2015, Nedap has had a defined-contribution pension plan for its employees. Liabilities are recognized as a cost in the statement of profit or loss in the period to which they relate. Administration of the scheme has been commissioned to a Premium Pension Institution (PPI). Nedap has no other liabilities relating to the extent of the target pension or indexations other than the contributions payable.

Deferred tax liabilities

Deferred tax liabilities arise from temporary differences between the book value of assets and liabilities and the tax book values of these items. The liability method has been used for calculating deferred tax assets and liabilities. Deferred tax liabilities are calculated, for each fiscal entity, at the tax rates that are expected to apply when they are settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax assets and liabilities and they relate to taxes levied by the tax authorities on the same taxable entity or on various tax entities but are intended to settle offset current tax liabilities and assets or will realize their tax liabilities and assets simultaneously.

Provisions

Provisions for legal claims, service guarantees and obligations to repair are recognized when Nedap has incurred a legal or constructive obligation as a result of events in the past, it is likely that a disbursement of resources will be required to settle the obligation, and the amount can be estimated reliably. Provisions will not be made for future operating losses. Provisions are measured at the present value of the management's best estimate of the expenditure needed to settle the current obligation at the end of the reporting period, using a discount rate that is in line with current market rates.

Guarantee provision

The guarantee provision is for claims made by customers under agreed guarantees. The term during which a customer can exercise this right varies between products. The measurement is determined based on estimated costs that are expected to ensue from current warranty obligations as of the balance sheet date. Aside from that, the provision may contain specific guarantee commitments.

Restructuring provision

A restructuring provision is recognized as soon as Nedap has approved a detailed and formal restructuring plan, and a start has been made on the restructuring or when it has been announced publicly. A provision is not made for future operating losses.

Anniversary benefits provision

Nedap's liability under other long-term employee benefits, the 12.5-year, 25-year and 40-year employment anniversary, concerns the amount of entitlements accrued by employees in exchange for their services over the reporting period and preceding periods.

These entitlements are discounted to determine the present value. Revaluations are incorporated into the profit or loss for the period in which they occur.

Revenue

Revenue is based on transaction prices allocated to individual performance obligations, being either a distinct good or service or a series of distinct goods or services that are largely the same and showing the same pattern of transfer to a customer. Revenue from sales of goods and software related to these goods is recognized in the profit or loss upon transfer of the right of disposal of the goods or software by Nedap.

Revenue from software subscriptions (licenses) and services is recognized for each service or on a straight-line basis over the term of the contract. Licenses involve the granting of a right of access to Nedap's software as it is during the entire term of the license. If service contracts are invoiced in advance, these amounts are recognized on the balance sheet as amounts received in advance under 'trade and other payables'.

Commitments to accept returns of, or issue refunds for, products and/or services are limited to those products and/or services for which Nedap has issued a warranty and subject to all warranty conditions being met.

Nedap does not have any material costs for the acquisition of contracts with customers and rarely groups products and/or services together in contracts. Delivery obligations under contracts that Nedap enters into with its customers consist mainly of agreements on the customer's right to acquire products and/or services at the agreed price. Nedap's associated liability to provide these products and/or services is calculated upon fulfillment of this obligation.

Wherever separate, identifiable obligations exist for which a customer cannot be charged separately, revenue has been recognized in proportion to the fulfillment of these obligations. Price agreements between Nedap and its customers are, however, largely based on separately identifiable products and/or services, which are calculated and recognized as revenue on the date of delivery.

Financing income and costs

Financing income and costs are interest received from third parties and interest paid to third parties and similar costs. Financing income and costs are recognized in the statement of profit or loss using the effective interest method.

Taxation

Taxation on profit for the financial year comprises taxes payable and receivable for the reporting period and the movement in deferred taxation. Taxation on profit is recognized in the statement of profit or loss, unless it relates to items recognized directly in shareholders' equity, in which case the related taxation is also recognized in shareholders' equity. Taxation payable or offsettable over the reporting period consists of income tax on the taxable profit or loss, as calculated based on tax rates set by law, and corrections to taxation paid for previous financial years.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash flows in foreign currencies are converted at the exchange rates on the date of the cash flow or at average rates. Interest paid and received is included in cash flow from operating activities, while dividend paid to and received from shareholders is incorporated into cash flow from financing activities.

Segmentation

Nedap's long-term policy focuses on creating solutions with sustainable meaning for customers, employees and shareholders. The company wishes to achieve this through growth in revenue and profits, based on the culture of expertise, creativity and entrepreneurship that it has built up over the past decades.

Achieving this objective not only requires know-how of technology and market conditions, but also an increasing degree of knowledge of the customer's business processes and applications that our solution is ultimately used in. The focus of activities on a customer or group of customers (business unit) is a significant condition for creating a genuinely distinctive and sustainable solution for our customers and their users, and thus also having sustainable meaning for our employees and shareholders. The technologies used in such solutions are closely related, so the business units often draw on each other's technological know-how, products, systems, production resources and market and user experience. This applies for all of Nedap's activities and business units. This exchange of know-how and resources, without financial settlement, is an ongoing and informal process and, therefore, a vital part of the entrepreneurial culture.

IFRS 8 requires the financial statements to present segment information that is in accordance with the internal information used by the directors to assess performance and allocate resources. Nedap N.V.'s Board of Directors assesses the company's overall and each business unit's profit or loss and the performance of the business units mainly on the basis of its own observations, day-to-day communications with the business units and development and market prospects. Based on this, decisions are made, staff are allocated, and resources are made available. Nedap does not have separate segments as referred to in IFRS 8. The geographical distribution of tangible fixed assets, intangible fixed assets and revenue, and the breakdown of revenue into categories are disclosed in the financial statements as required by IFRS 8.

Notes

General

Nedap N.V. is a public limited company under Dutch law, domiciled in the Netherlands, that develops and manufactures electronic equipment and software, having its registered office under the articles of association at Parallelweg 2, 7141 DC Groenlo, the Netherlands, registered in the Chamber of Commerce's trade register under number 08013836. Groenlo, the Netherlands is its principal place of business as well. The company's 2025 consolidated financial statements cover the company and its subsidiaries, who together form the group, referred to below as Nedap. The financial year coincides with the calendar year. Nedap develops and supplies smart technological solutions for socially relevant themes, including sufficient food, clean drinking water, security and healthcare. On 23 February 2026, the financial statements were approved for publication by both the Supervisory Board and the Board of Directors. The financial statements will be submitted to the annual general meeting for adoption on 8 April 2026. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union and with Title 9 of Book 2 of the Dutch Civil Code.

Nedap Asia Ltd., Hong Kong, China	100%	participation
Nedap China Ltd., Shanghai, China	100%	participation of Nedap Asia Ltd.
Nedap NZ Ltd., Christchurch, New Zealand	100%	participation
Nedap Deutschland GmbH, Krefeld, Germany	100%	participation
Nedap Great Britain Ltd., Theale, Reading, United Kingdom	100%	participation
Nedap Iberia S.A.U., Madrid, Spain	100%	participation
Nedap Polska Sp. z o.o., Warsaw, Poland	100%	participation
Nedap FZE, Dubai, United Arab Emirates	100%	participation
Nedap Inc., Burlington, United States of America	100%	participation

Going concern

The accounting policies used in preparing these financial statements are based on a going concern assumption for the company. The company was able to post a profit for 2025. Given that the financial position is stable in terms of results and equity, and the outlook is positive, the going concern assumption was applied in preparing the financial statements.

Rounding

Unless specified otherwise, all amounts recognized in the financial statements and explanatory notes are rounded to the nearest thousand currency units.

Estimates

IFRS Accounting Standards compliant reporting requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported value of assets, liabilities, income and costs. The estimates and underlying assumptions are based on past experience and various other factors which are considered fair under the circumstances. The results constitute the basis for judgements on the book value of assets and liabilities that cannot be simply derived from other sources. The actual results may differ from these estimates. The estimates and underlying assumptions are under constant review. Revisions to estimates are recognized in the period in which the estimate is revised if the revision only has consequences for that period, or in the revision period and future periods if the revision has consequences for both the reporting period and future periods. The most critical estimate relates to the capitalization of development costs, which is detailed below. Further estimates relate primarily to measurement of tangible and intangible fixed assets, employee benefits, deferred tax assets, provisions and inventories. For details of these other estimates, please refer to the relevant accounting policies as specified in these financial statements.

Development costs are, as per the criteria of IAS 38, capitalized if all of the following conditions are met:

- The development costs were incurred for solutions that are new for Nedap and creating a user-ready product is technically feasible;
- Nedap has the intention to prepare this product for use;
- The costs involved can be calculated reliably; and
- The solution is likely to have market potential and yield future economic benefits.

The main estimation element in this respect is the realizable economic benefits. It is inherent to innovative products that it can take many years for a solution to become successful and for it to be possible to establish with the required level of certainty that the targeted economic benefits are indeed realizable. Given the combination of the above conditions, Nedap capitalizes development costs only to a limited degree. On top of that, the development costs recognized relate mainly to maintenance, upgrades, and further development of existing solutions in Nedap's case, and to a lesser degree to the actual development of new solutions.

For further details, please refer to the principles on the recognition of intangible fixed assets and note 1 to these financial statements.

Comparison to last year

The accounting principles have been consistently applied. Where necessary, comparative figures have been adjusted for comparison purposes. Such adjustments, if any, are clearly indicated at the relevant position in the financial statements.

Consolidation

The financial data of Nedap N.V. and of the subsidiaries listed above (jointly referred to as Nedap) have been consolidated in full if the requirements of IFRS 10 are met. Balance sheet positions and transactions between consolidated companies and unrealized result on such transactions are eliminated when preparing the consolidated financial statements. The unrealized profit or loss of consolidated companies on transactions with non-consolidated companies is eliminated in proportion to Nedap's interest in that participation.

Credit risk

Credit risk is the risk of financial losses for Nedap due to non-compliance with payment obligations on the part of a customer or counterparty. Credit risks arise in particular on receivables from customers. Nedap reduces this risk by insuring trade receivables against non-payment where possible. The risk of non-payment then lies largely with the credit insurance company. If possible, security is requested from trade debtors who cannot be insured. If necessary, a provision for doubtful debts is formed. The Group assesses its receivables without credit risk insurance on an individual basis, while the expected credit loss model has been applied for those receivables without credit risk insurance that have not been remeasured downward.

When it comes to banks and financial institutions, cash and cash equivalents are held only with counterparties that have a long-term credit rating of at least 'A' from a recognized independent credit rating agency. Credit ratings are monitored periodically, and where multiple ratings exist, management assesses these ratings in aggregate as part of its counterparty risk management.

Liquidity risk

Liquidity risk is the risk that Nedap cannot meet its financial obligations when they become due. Nedap reduces this risk by maintaining sufficient access to capital. In this respect, an ample multi-purpose credit facility, whereby the total facilities of €45 million (including temporary facilities of €10 million in the period from April to September inclusive) are not subject to covenants.

Currency risk

Nedap reduces the currency risk by restricting the size of transactions in foreign currencies and, if necessary, hedging these risks. For the most important foreign currency – the US dollar – an internal hedging system is used, which means that payments in US dollars are made using US dollars available elsewhere in the company. In 2025, the US dollar was, after the euro, the currency used for most transactions. The US dollar was also the foreign currency with the highest net transaction value in 2025 (2% of revenue), whereby most US dollar transactions were purchases. A hypothetical change of 10% in the US dollar exchange rate would have pushed the profit for the financial year up or down by €0.5 million.

Interest rate risk

The Group is exposed to interest rate risk primarily as a result of its use of variable interest-bearing current account facilities. Changes in market interest rates may affect the Group's finance costs and, consequently, its profit for the financial year. The objective of the Group's interest rate risk management is to limit the potential adverse impact of interest rate fluctuations on its financial performance. Interest rate risk is managed centrally and is monitored on a periodic basis by management. The Group does not currently use derivative financial instruments to hedge its exposure to interest rate risk. Interest rate risk is measured by analyzing the sensitivity of profit to reasonably possible changes in market interest rates, based on the outstanding variable interest-bearing financial liabilities at the reporting date. The sensitivity analysis included in this note reflects the impact of a parallel shift in interest rates of 100 basis points, assuming all other variables remain constant. There were no significant changes in the Group's exposure to interest rate risk, its risk management objectives, policies or processes, or the methods used to measure the risk compared to the previous financial year.

A change of 100 basis points in interest rate on the loans specified in Note 8 and the average drawn credit on current accounts (€12.9 million combined) would affect the profit for the financial year by €0.1 million (in 2024: €0.2 million).

Market risk

Nedap reduces its market risk by operating in different geographical markets and areas of application with different products.

Capital management

Nedap strives for a conservative financing structure reflected by a solvency ratio of at least 50% and a maximum net debt-to-EBITDA ratio of up to 1.5. Temporary deviation from this target figure is possible for strategic reasons. In 2025, these ratios were 66% and -0.1 respectively (in 2024: 61% and 0.3).

Standards and interpretations implemented for the first time

Certain new standards and interpretations have been issued but are not yet mandatory for the reporting period ending 31 December 2025. This includes IFRS 18 *Presentation and Disclosure in Financial Statements*, which will become effective for financial years beginning on or after 1 January 2027. Nedap is currently assessing the implications of IFRS 18. Based on the current assessment, any management performance measures that may fall within the scope of IFRS 18 are expected to be limited in nature and scope. The Group is evaluating the presentation of the statement of profit or loss to align with the new classification requirements for income and expenses into Operating, Investing, Financing, Income Taxes, and, where applicable, Discontinued Operations. At this stage, Nedap does not anticipate that the adoption of IFRS 18 or other future standards and interpretations will have a material impact on its financial reporting. The Group does not expect to apply new standards and interpretations early, and based on current insights, these are not expected to have a material effect on the entity in the current or future reporting periods, nor on foreseeable future transactions.

1. Intangible fixed assets (€ x 1,000)

	Capitalized development costs	Software and licenses	In progress and prepayments	Total intangible fixed assets
Year-end 2023				
Purchase price	5,185	1,926	7,912	15,023
Amortization including impairments	-3,671	-1,196	-	-4,867
Book value	1,514	730	7,912	10,156
Movements in 2024				
Investment	1,190	5,398	-2,413	4,175
Disposal (on balance)	-	-55	-	-55
Amortization	-345	-225	-	-570
Net movements	845	5,118	-2,413	3,550
Year-end 2024				
Purchase price	6,375	7,080	5,499	18,954
Amortization including impairments	-4,016	-1,232	-	-5,248
Book value	2,359	5,848	5,499	13,706
Movements in 2025				
Investment	4,319	1,016	-3,213	2,122
Disposal (on balance)	-	-	-	-
Amortization	-709	-867	-	-1,576
Impairments	-	-	-566	-566
Net movements	3,610	149	-3,779	-20
Disposals (Purchase price)	-	-12	-	-12
Disposals (Amortization)	-	12	-	12
Year-end 2025				
Purchase price	10,694	8,085	1,720	20,499
Amortization including impairments	-4,725	-2,087	-	-6,812
Book value	5,969	5,998	1,720	13,687

Intangible fixed assets in progress and prepayments include a €1,475 (in 2024: €3,406) investment relating to capitalized development costs in the financial year.

To a great extent, the capitalized development costs are for Healthcare and Retail information management systems.

2. Tangible fixed assets (€ x 1,000)

	Company buildings and premises	Machinery and installations	Other fixed equipment*	In progress and prepayments	Right-of-use assets	Total tangible fixed assets
Year-end 2023						
Purchase price	43,074	19,628	48,408	2,199	4,782	118,091
Depreciation including impairments	-25,937	-14,640	-31,795	-	-3,083	-75,455
Book value	17,137	4,988	16,613	2,199	1,699	42,636
Movements in 2024						
Investment	1,187	652	2,871	5,720	1,131	11,561
Completed assets in progress	-	-	2,199	-2,199	-	-
Disposal (on balance)	-	-	-158	-	-66	-224
Exchange differences	-	-	19	-	27	46
Depreciation	-2,094	-955	-5,749	-	-1,098	-9,896
Impairments	-	-	-278	-	-	-278
Net movements	-907	-303	-1,096	3,521	-6	1,209
Disposals (Purchase price)	-23	-7,165	-4,339	-	-334	-11,861
Disposals (Depreciation)	23	7,165	4,182	-	268	11,638
Year-end 2024						
Purchase price	44,237	13,116	49,207	5,720	5,705	117,985
Depreciation including impairments	-28,007	-8,431	-33,690	-	-4,012	-74,140
Book value	16,230	4,685	15,517	5,720	1,693	43,845
Movements in 2025						
Reclass in progress**	-844	-303	-	1,147	-	-
Investment	180	111	4,444	3,806	4,151	12,692
Completed assets in progress	1,179	609	2,355	-4,143	-	-
Disposal (on balance)	-	-	-360	-	-64	-424
Exchange differences	-	-	-42	-	-89	-131
Depreciation	-2,116	-966	-5,655	-	-1,444	-10,181
Impairments	-	-	-	-	-	-
Net movements	-1,601	-549	742	810	2,554	1,956
Disposals (Purchase price)	-	-	-5,176	-	-1,137	-6,313
Disposals (Depreciation)	-	-	4,816	-	1,073	5,889
Year-end 2025						
Purchase price	44,752	13,533	50,679	6,530	8,453	123,947
Depreciation including impairments	-30,123	-9,397	-34,420	-	-4,206	-78,146
Book value	14,629	4,136	16,259	6,530	4,247	45,801

* Molds, dies, measuring and testing equipment, furniture and fittings, computer systems and vehicles.

** Up to and including 2024, Company buildings and premises and Machinery and installations included work in progress and prepayments; as of 2025, these amounts have been reclassified to the In progress and prepayments column.

As of 31 December 2025, €2,152 of the book value of 'Right-of-use assets' related to premises and €2,095 to other fixed equipment. Depreciation totaled €925 and €519 respectively in 2025. Tangible fixed assets are insured at new-for-old value. A right of mortgage on immovable property amounting to €18.9 million (in 2024: €18.9 million) has been granted as security for bank debts. The useful life of assets measured as 'Right-of-use assets' is in all cases at least equal to the period of the remaining lease payments.

Lease liabilities entered into stood at €4,422 as of 31 December 2025 (as of 31 December 2024: €1,744). The increase in liabilities primarily reflects the expiration of a lease in the US, the subsequent leasing of alternative premises for a five-year term, and the leasing of vehicles rather than purchasing them in the Netherlands as part of the electrification of Nedap's fleet. Further details on leases are provided in note 9.

'Impairments' is explained under 'Impairment of assets'.

Geographical information on the book value of tangible fixed assets and intangible fixed assets:

	2025	2024
The Netherlands	56,613	55,943
Germany	146	174
Other Europe	790	865
Asia Pacific	570	224
North America	1,351	254
Other countries	18	91
Total	59,488	57,551

3. Deferred tax assets and liabilities (€ x 1,000)

Balance as of 31 December 2025	Deferred tax assets	Deferred tax liabilities
Tangible fixed assets	20	-
Intangible fixed assets	-	944
Anniversary benefits provision	-	8
Inventories	311	-
Other	426	419
Offsettable loss	139	-
Total before offsetting	896	1,371
Offsetting	-757	-757
Total after offsetting	139	614
Balance as of 31 December 2024 (before offsetting)	1,403	1,021
Offsetting	-564	-564
Balance as of 31 December 2024 (after offsetting)	839	457
Withdrawals	-800	-
Additions	293	350
Balance as of 31 December 2025 (before offsetting)	896	1,371
Offsetting	-757	-757
Balance as of 31 December 2025 (after offsetting)	139	614

These receivables relate to the losses brought forward and deferred taxation. The offsettable profit or loss relates to deferred tax assets at three subsidiaries.

For the most part, these losses can be carried forward indefinitely.

As of 31 December 2025, there were no temporary differences, uncompensated tax losses, or unused tax credits for which no deferred tax assets had been recognized.

4. Inventories (€ x 1,000)

	2025	2024
Raw materials	3,079	6,778
Products in progress	660	475
(Semi-)finished goods (procured and manufactured)	26,227	24,785
Total	29,966	32,038

A total amount of €2,863 (in 2024: €3,333) of inventories has been written down to a lower realizable value.

Inventories recognized as an expense during the year ended 31 December 2025 amounted to €71,480 (in 2024: €60,119). These were included in cost of materials and outsourced work. Costs of write-down of inventory, which are recognized in cost of materials and outsourced work, amounted to €582 in 2025 (in 2024: €1,338).

5. Trade and other receivables (€ x 1,000)

	2025	2024
Trade receivables	35,639	32,710
Other receivables and prepayments and accrued income	7,724	7,913
Total	43,363	40,623

Of the trade and other receivables, €641 (in 2024: €687) has a term of over one year.

Of the trade receivables, 93% (in 2024: 95%) are either not yet due or in the first month after the agreed payment date.

Of the remaining 7% (in 2024: 5%), 6% (in 2024: 3%) are a maximum of 90 days overdue and 1% (in 2024: 2%) are over 90 days overdue.

In the case of the latter 1% of trade receivables, the receivables covered by credit insurance have been handed over to Nedap's credit insurer for collection.

Movements in provision for trade receivables that are deemed uncollectable	2025	2024
Balance as of 1 January	287	158
Withdrawals	-226	-45
Additions	56	174
Balance as of 31 December	117	287

In 2025, the average credit term for trade accounts receivable was 6.2 weeks (in 2024: 6.2 weeks). Nedap has insured the credit risk in its trade receivables wherever possible. The companies that cover the insurance risk are rated by global rating agencies with an A-rating, or better. A total of 92% of the trade receivable balance is covered (in 2024: 91%), with a pay-out of 90% (in 2024: 90%). The total amount of uncovered credit risk is €2,884 (in 2024: €2,841).

The expected credit loss model has been applied for those receivables without credit risk insurance that have not been remeasured downward. The expected credit loss percentage is based on historical credit losses over the past 12 months.

6. Cash and cash equivalents (€ x 1,000)

	2025	2024
Cash	-	-
Banks	3,376	4,357
Total	3,376	4,357

Cash and cash equivalents are readily available.

Nedap N.V. has entered into a saldo and netting arrangement with its relationship bank under which multiple bank accounts within the same legal entity are subject to automatic and legally enforceable set-off. Under this arrangement, only a single net balance per currency represents a legally enforceable claim or obligation between Nedap and the bank.

In accordance with IAS 32.42, Nedap presents the resulting net balance as one amount in the statement of financial position, as:

- a legally enforceable right of set-off exists; and
- settlement occurs on a net basis in accordance with the contractual terms.

As of 31 December 2025, the gross amount of bank balances subject to the netting arrangement amounts to €6,063. Within this amount, bank overdrafts of €2,687 are included. These overdrafts are not presented separately, as they form part of the legally enforceable net position under the saldo arrangement.

There are no additional amounts subject to set-off that are not already reflected in the net balance presented in the statement of financial position.

7. Shareholders' equity attributable to shareholders

The company's authorized share capital consists of 15,611,000 ordinary shares and 15,611,000 preference shares, all with a nominal value of €0.10 each. 6,692,920 ordinary shares have been issued and paid up.

The average number of outstanding shares in 2025 was 6,605,616 (in 2024: 6,581,074).

As of 31 December 2025, 6,610,646 shares were outstanding (as of 31 December 2024: 6,588,525).

As of 31 December 2025, the company held 82,274 of its own shares (as of 31 December 2024: 104,395) that are expected to be transferred to employees under the employee participation plans.

8. Borrowings (€ x 1,000)

Type of borrowing	Nominal interest rate	Maturity date	2025	2024
Standby Roll-Over	3 months Euribor + 1.2%	2026	-	14,000
Balance as of 31 December			-	14,000
Repayment liabilities < 1 year			-	-
Repayment liabilities > 1 year and < 5 years			-	14,000
Repayment liabilities > 5 years			-	-

The fair value of the borrowings is not materially different from their amortized cost.

The financing agreement with the bank for the Standby Roll-Over loan, set to expire on 1 April 2026, has been repaid in the financial year and a multi-purpose credit facility has been established. The credit facility bears a variable interest rate comprising the average one-month Euribor, a variable Euribor market surcharge and a margin of 0.9%. Security has been provided in the form of a right of mortgage (€18.9 million, not including 40% for interest and costs) and a pledge of all fixtures and fittings (€26 million) and trade receivables (€30 million). All amounts are as of 31 December 2025, detailed in the Company financial statements. The pledge includes security for bank overdrafts (see note 12).

The General Terms and Conditions and the General Provisions for Credit Provision (for business clients) of ABN AMRO Bank N.V. apply to the agreement.

The agreement does not contain any covenants.

9. Lease liabilities (€ x 1,000)

	Company buildings and premises	Other fixed equipment	Total
Lease liabilities as of 31 December 2024			
Current (<= 1 year)	698	290	988
Long-term (> 1 year)	307	449	756
	1,005	739	1,744
Movements in 2025			
Current (<= 1 year)	115	386	501
Long-term (> 1 year)	1,177	1,000	2,177
	1,292	1,386	2,678
Lease liabilities as of 31 December 2025			
Current (<= 1 year)	813	676	1,489
Long-term (> 1 year)	1,484	1,449	2,933
	2,297	2,125	4,422
The interest amounts on lease liabilities recognized as a cost in 2025 amounted to €170 (€67 in 2024).			
Recognized in the financial year			
Short-term lease costs	5	88	93
Low-value lease costs	4	12	16
Total lease payments	1,082	682	1,764

In some cases, Nedap has the option to extend contracts it has entered into, especially those relating to the leasing of company buildings. Extension is then subject to pre-agreed conditions. There are very few lease liabilities for which, as a result of application of IFRS 16, extension options are measured because it is reasonably certain that Nedap will exercise the option.

10. Employee benefits (€ x 1,000)

Anniversary benefits provision	2025	2024
Balance as of 1 January	1,120	1,086
Withdrawals	-113	-112
Additions	118	146
Balance as of 31 December	1,125	1,120
Measurement of the anniversary benefits provision is based on the following factors:		
Future salary increase	3.50%	3.50%
Present value factor	3.85%	3.35%

Estimated likelihood to stay is related to employee age and the number of years of employment at Nedap.

Of the long-term part of the provision (€1,043), €304 relates to the period from 2027 to 2030 (>1 year <= 5 years).

11. Provisions (€ x 1,000)

Guarantee provision	2025	2024
Balance as of 1 January	1,342	1,692
Withdrawals	-778	-1,023
Additions	631	673
Balance as of 31 December	1,195	1,342

The part of the provisions with a term of under one year, €638 (in 2024: €878), is recognized under short-term liabilities. Of the long-term part of the provision, €0 (in 2024: €0) relates to the period after 2030 (more than five years).

To the extent that guarantee costs cannot be determined for individual products, the guarantee provision is made up of historic guarantee costs per product category and linked to outstanding periods during which customers can still submit guarantee claims.

The guarantee period differs per product category.

Due to the short-term nature of the provisions, no discounting was applied.

12. Bank overdrafts (€ x 1,000)

The maximum overdraft under the facility is €35 million (in 2024: €25 million).

Every year, over the period from April to September inclusive, an additional facility of €10 million will be available (in 2024: €5 million).

For details on the multi-purpose credit facility see note 8.

13. Trade and other payables (€ x 1,000)

	2025	2024
Trade payables	12,563	14,027
Liabilities on account of investments	777	196
Prepayments received	980	901
Other liabilities and accruals and deferred income	18,005	15,373
Total	32,325	30,497

An amount of €383 (in 2024: €318) of other liabilities and accruals and deferred income relates to payables with a term of over one year. Prepayments received as of 31 December 2024 were recognized as revenue in 2025.

The majority of other liabilities, accruals and deferred income relate to accrued expenses for salary payments and other costs associated with the financial year.

14. Revenue (€ x 1,000)

	2025	2024
Products, systems and installations	168,332	151,413
Software subscriptions (licenses) and services	111,481	100,193
Total	279,813	251,606

Software subscriptions (licenses) and services consist mainly of subscriptions and maintenance contracts for Healthcare, Retail and Security.

Geographical sales areas	2025	2024
The Netherlands	119,866	101,347
Germany	30,657	28,560
Other Europe	70,870	64,285
North America	40,541	38,032
Other countries	17,879	19,382
Total	279,813	251,606

No customer represents sales in excess of 10% of total revenue.

15. Personnel costs (€ x 1,000)

	2025	2024
Wages and salaries	92,953	80,756
Social security costs	11,903	11,528
Pension costs	5,908	5,039
Insourced staff	11,147	11,448
Other personnel costs	5,962	6,031
Total	127,873	114,802

Social security costs include a government grant of €-780 (in 2024: €-858).

The costs of share-based remuneration recognized in accordance with IFRS 2 consist of:

- A 10% purchase discount that is charged to the result for the financial year in full. Costs of bonus depositary receipts are charged to the profit or loss account over a period of five years. Combined, these costs amount to €506 in the financial year (in 2024: €442).
- Costs of remuneration that must be invested in depositary receipts in full (NAPP): €1,958 (in 2024: €0).
- Costs for the Board of Directors' Long-Term Incentive plan: €146 (in 2024: N/A).

The fair value (in € x 1) of bonus and NAPP depositary receipts awarded in the financial year is €53.95 (in 2024: €56.52).

Costs for which a purchase discount and bonus depositary receipts are recognized are included under other personnel costs, while other costs are recognized as wages and salaries. Of these costs, €205 relates to the 2025 financial year (in 2024: €197); the remaining costs represent a roll-forward of amounts arising from prior years.

The part of the remuneration payable under the NAPP and employee participation plan that is settled through the legal entity's equity instruments has been added to the share-based remuneration reserve. For two subsidiaries, it has been decided to not deliver this remuneration in the form of depositary receipts. For these entities, share-based remuneration will be settled using cash and cash equivalents. This liability has been recognized at fair value under 'Trade and other payables'.

Average number of employees	2025	2024
The Netherlands	943	917
Other Europe	49	51
Asia Pacific	31	33
North America	40	39
Total	1,063	1,040

Remuneration Board of Directors

	Basic income	Variable remuneration	Employee participation plan benefits	Long-Term Incentive (LTI)	Pension costs	Total
2025¹						
Mr. R. M. Wegman	505	248	31	71	109	964
Mr. R. Schuurman	363	175	17	50	69	674
Ms. H. P. J. M. Jans	179	86	-	25	30	320
Ms. D. van der Sluijs	559	-	49	-	34	642
Total	1,606	509	97	146	242	2,600
2024						
Mr. R. M. Wegman	486	267	49	-	108	910
Ms. D. van der Sluijs	347	189	31	-	58	625
Mr. R. Schuurman	306	166	25	-	61	558
Total	1,139	622	105	-	227	2,093

¹ Ms. H. P. J. M. Jans's contract commenced on 1 July 2025, and Ms. D. van der Sluijs's contract ended on 31 July 2025. The basic income of Ms. D. van der Sluijs includes a contractual severance payment of €350, relating to her departure following the annual general meeting in 2025 upon termination of her board position.

Basic income and variable remuneration are considered short-term benefits, benefits of the employee participation plan qualify as share-based payments and pension costs are post-employment benefits.

Up to and including the 2024 financial year, the members of the Board of Directors were required to invest at least 50% of their variable remuneration in the Stichting Medewerkerparticipatie Nedap in exchange for Nedap depositary receipts. The depositary receipts are locked up for a period of five years. The requirement to invest no longer applies from 2025 onward. Depositary receipts acquired prior to 2025 remain subject to their original lock-up periods.

The benefits offered by the Employee Participation Plan are the 10% purchase discount on the depositary receipts and entitlement to bonus depositary receipts (after four years).

The members of the Board of Directors have used their variable remuneration for the financial year as follows for the purchase of depositary receipts (the plan is no longer available to the Board of Directors from 2025 onward):

	2025	2024
Mr. R. M. Wegman	-	100%
Mr. R. Schuurman	-	100%
Ms. H. P. J. M. Jans	-	-
Ms. D. van der Sluijs	-	75%

Long-Term Incentive plan

The Long-Term Incentive (LTI) plan for the Board of Directors is designed to promote sustainable long-term value creation and to align the interests of directors with those of shareholders. The LTI takes the form of a Performance Share Unit (PSU) plan, under which conditional performance shares are granted annually. The on-target value of the LTI award amounts to 50% of fixed annual income, with a maximum opportunity of 75%, depending on performance. Vesting is subject to the achievement of predefined performance criteria measured over a three-year performance period (2025–2027). These criteria comprise sales growth within key markets (40%), earnings per share growth (35%) and ESG objectives (25%), reflecting Nedap’s strategic, financial and sustainability priorities. For each criterion, vesting ranges from 0% below threshold to a maximum of 150% at outstanding performance. Shares that vest after the three-year performance period are subject to a subsequent two-year holding period, during which members of the Board of Directors are required to retain the shares, except for those sold to meet tax and social security obligations. This structure reinforces a long-term focus and supports sustained value creation for the company.

2025	Basic salary as of 31/12 (€ x 1,000)	Award value	Share price (€ x 1)	Granted PSUs (items x 1)	Fair value (€ x 1)	Costs (€ x 1,000)
Mr. R. M. Wegman	496	50%	62.40	3,977	53.77	71
Mr. R. Schuurman	350	50%	62.40	2,805	53.77	50
Ms. H. P. J. M. Jans	345	50%	62.40	1,382	53.77	25
Total						146

The number of conditionally granted performance shares under the LTI plan is determined by reference to the average Nedap share price over the five trading days immediately preceding the grant date. The fair value of the granted performance share units is determined at grant date in accordance with applicable accounting standards. In calculating the fair value, an adjustment is applied to reflect the absence of dividend entitlement during the vesting and holding periods. This adjustment is based on a discount equal to the average dividend yield of Nedap shares over the past five years.

In 2025, no PSUs vested or were forfeited.

Shares and depositary receipts

	Shares and depositary receipts held as of year-end	Bonus depositary receipts not yet awarded as of year-end
2025		
Mr. R. M. Wegman	55,069	2,764
Mr. R. Schuurman	10,426	1,463
Ms. H. P. J. M. Jans	-	-
Ms. D. van der Sluijs	8,184	-
Total	73,679	4,227
2024		
Mr. R. M. Wegman	51,608	2,817
Ms. D. van der Sluijs	6,469	1,618
Mr. R. Schuurman	8,592	1,182
Total	66,669	5,617

Nedap has not granted the Supervisory Board any rights to acquire Nedap depositary receipts.

The company has not granted the Board of Directors or Supervisory Board members any loans or guarantees. Further details of the remuneration policy are provided in the [Governance & Risk chapter](#) of this report.

Supervisory Board remuneration

	2025	2024
Mr. P. A. M. van Bommel	66	50
Ms. K. T. V. Bergstein (from 17 April 2025)	33	-
Mr. J. M. L. van Engelen (until 17 April 2025)	13	40
Ms. M. Pijnenborg	49	40
Mr. S. C. Santema	46	40
Ms. M. A. Scheltema	49	40
Total	256	210

The total remuneration for the Board of Directors and the Supervisory Board members (key management personnel) for the year amounts to €2,856 (in 2024: €2,303).

16. Amortization (€ x 1,000)

	2025	2024
Development costs	709	345
Software and licenses	867	225
Total	1,576	570

17. Depreciation (€ x 1,000)

	2025	2024
Company buildings	2,116	2,094
Machinery and installations	966	955
Other fixed equipment	5,655	5,749
Right-of-use assets	1,444	1,098
Total	10,181	9,896

18. Impairment of assets (€ x 1,000)

	2025	2024
Impairment of assets	566	278

Impairment of assets relates to legacy administrative software. This impairment reflects the decision to replace on-premise software with a future-proof, cloud-based solution (in 2024: scaling down of Staffing Solutions).

19. Other operating costs (€ x 1,000)

The costs of foreign exchange differences recognized in profit or loss amount to €408 (in 2024: €-90).

Other operating costs include general, housing, indirect manufacturing and selling costs.

20. Taxation (€ x 1,000)

	2025	2024
Profit before taxation	31,134	22,945
Income tax	5,698	3,420
Deferred income tax	850	998
Total income tax	6,548	4,418

Reconciliation of effective tax rate:	2025		2024	
Income tax based on Dutch tax rate	8,033	25.8%	5,920	25.8%
Change in domestic tax rate	-14	0.0%	-14	-0.1%
Effect of tax rate for non-resident group entities	22	0.1%	-40	-0.2%
Non-deductible expenditures	493	1.6%	248	1.1%
Tax incentive schemes	-2,275	-7.3%	-1,356	-5.9%
Rate change for deferred taxation	-65	-0.2%	-335	-1.4%
Prior-year adjustment	354	1.0%	-5	0.0%
Total	6,548	21.0%	4,418	19.3%

The change in the domestic tax rate is caused by a tax rate of 19.0% on the first €200 of taxable profit (in 2024: 19.0% on the first €200 of taxable profit).

The net tax rate for group entities outside the Netherlands is higher than the nominal rate in the Netherlands, which leads to a 0.1% increase in the effective tax rate.

Non-deductible expenditures are largely costs relating to share-based remuneration. Due to the non-deductibility for tax purposes of the net component of mandatory rewards related to depositary receipts under the N(A)PP reward scheme, non-deductible expenses increased compared to the prior year, in which no NAPP payout occurred.

Besides a small amount for the Energy/Environmental Investment Tax Credit ('Energie/Milieu Investerings Aftrek') of €-19 (in 2024: €-12), tax incentive schemes consist of benefits ensuing from application of the Innovation Box tax regime of €-2,256 (in 2024: €-1,344).

In 2024, the deduction related to tax incentive schemes was below the long-term average. Higher costs associated with internally developed capitalized fixed assets reduced taxable profit and, consequently, the base for incentive scheme benefits. A similar effect arose last year from commercial intercompany profits resulting from the reduction of inventory levels at subsidiaries, where taxation had already occurred upon the recognition of statutory revenue. In 2025, the level of tax incentive scheme benefits has now returned to the multi-year average.

Deferred tax assets and liabilities are measured at the weighted average tax rate, factoring in any arrangements under the Innovation Box tax regime.

Net income tax for 2024 has been paid or received. The difference between income tax paid of €-2,838 in the statement of cash flows and the payable amount of €6,548 is made up of advances paid in 2024 and previous years, as well as advances paid in 2025 on the profit expected for the financial year.

In 2020, the Dutch tax authorities communicated their opinion that the current transfer pricing method should also have been applied at Nedap Asia Ltd. in 2014 and 2015. According to the Dutch tax authorities, profits generated in Hong Kong should have largely been taxed in the Netherlands, prompting them to issue revised tax assessments for 2014 and 2015.

Nedap has contested these tax assessments by filing an objection. Over recent years, Nedap engaged in multiple discussions with the tax authorities to address this issue, providing further supporting documentation throughout the process. Despite these efforts and the additional information provided, the tax authorities maintained their position that the revised tax assessments were correctly issued. Consequently, in 2022, Nedap initiated a formal request to commence a Mutual Agreement Procedure (MAP) between the Netherlands and Hong Kong tax authorities to determine the jurisdiction of tax obligations.

In 2025, Nedap received a favorable decision in the MAP. The competent tax authorities in the Netherlands and Hong Kong agreed that Nedap's transfer pricing framework was appropriately applied, with the conclusion that the effective date should have been half a year earlier – 1 July 2015 rather than 1 January 2016. This outcome does not fully align with Nedap's own assessment, but it did not provide sufficient grounds to pursue the available arbitration options.

The tax impact resulting from this adjustment, including the reversal of higher tax and collection interest recognized in prior years as these were ultimately determined at a lower level, has been recognized as a prior-year adjustment. As a consequence of a higher effective corporate income tax rate in the Netherlands, the overall effective tax rate increased slightly.

In addition, Nedap used the interaction with the Dutch tax authorities to include the settlement of tax assessments for 2023 and 2024 that had not yet been finalized. As part of this process, several other intercompany debt settlement positions between Nedap and its subsidiaries were agreed by mutual consent. As a result, all tax assessments up to and including 2024 have now become final and have been fully reflected in the tax expense.

21. Financing liabilities (€ x 1,000)

	2025	2024
Cash and cash equivalents	3,376	4,357
Short-term borrowings including bank overdrafts	-	-
Long-term borrowings	-	-14,000
Lease liabilities	-4,422	-1,744
Net financing position	-1,046	-11,387
Cash and cash equivalents	3,376	4,357
Fixed-interest borrowings	-	-
Variable-interest borrowings	-	-14,000
Lease liabilities	-4,422	-1,744
Net financing position	-1,046	-11,387

The long-term loan had a variable rate of interest.

22. Liquidity risk (€ x 1,000)

Contractual term of financial liabilities	>= 1 year		>= 2 years		Total
	< 1 year	< 2 years	< 5 years	>= 5 years	
Year-end 2024:					
Non-derivatives					
Trade and other payables ¹	29,278	318	-	-	29,596
Lease liabilities	988	485	271	-	1,744
Borrowings	637	14,159	-	-	14,796
Total non-derivatives	30,903	14,962	271	-	46,136
Year-end 2025:					
Non-derivatives					
Trade and other payables ¹	30,962	383	-	-	31,345
Lease liabilities	2,139	1,763	2,466	-	6,368
Borrowings	-	-	-	-	-
Total non-derivatives	33,101	2,146	2,466	-	37,713

¹ Excluding prepayments received.

23. Commitments and contingent liabilities (€ x 1,000)

Guarantees issued by group companies in relation to building rental were €0 (in 2024: €360) and other €138 (in 2024: €138).

Nedap has received claims from several parties regarding Nedap's alleged failure to meet contractual obligations. Where necessary, provisions have been made, factoring in compensation that can be claimed under insurance policies. Nedap expects these claims to have limited financial consequences for Nedap.

24. Related parties (€ x 1,000)

Parties related to Nedap are the Stichting Preferente Aandelen Nedap and the members of the Supervisory Board and the Board of Directors. In the financial year, payments amounting to €188 (in 2024: €0) were transferred to Stichting Preferente Aandelen Nedap. There were no other transactions with related parties during the financial year except as presented in the financial statements. Transactions are performed on a commercial basis.

25. Subsequent events

Management has evaluated events and transactions occurring after the reporting date of 31 December 2025 through the date on which these financial statements were authorized for issue, in accordance with IAS 10, *Events after the Reporting Period*. No events have occurred that would require adjustment to or disclosure in these financial statements.

5.2 Company financial statements

Balance sheet of Nedap N.V. as of 31 December (€ x 1,000)¹

¹ Before result appropriation

Assets	Note		2025	2024
Fixed assets				
Intangible fixed assets	1	13,687		13,706
Tangible fixed assets	2	43,319		42,573
Financial fixed assets	3	14,502		14,429
			71,508	70,708
Current assets				
Inventories	4	24,694		27,630
Trade and other receivables	5	36,333		35,267
Cash and cash equivalents	6	1,499		1,523
			62,526	64,420
			134,034	135,128
Liabilities				
Shareholders' equity				
Share capital	7	669		669
Legal and statutory reserves		4,285		5,096
Other reserves		59,975		59,411
			64,929	65,176
Profit for financial year		24,586		18,527
			89,515	83,703
Liabilities				
Provisions	8	2,320		2,462
Non-current liabilities	9	2,171		14,870
Current liabilities	10	40,028		34,093
Total liabilities			44,519	51,425
			134,034	135,128

Statement of profit or loss of Nedap N.V. (€ x 1,000)

	Note	2025	2024
Revenue	11	263,876	230,808
Inventory movements of finished goods and work in progress	763		-5,077
		763	-5,077
Total operating income		264,639	225,731
Cost of materials and outsourced work	-69,490		-54,963
Personnel costs	12 -112,283		-99,807
Amortization	13 -1,576		-567
Depreciation	14 -9,185		-8,952
Impairment of assets	15 -566		-278
Other operating costs	16 -42,520		-39,736
Operating costs		-235,620	-204,303
Operating result		29,019	21,428
Financing income	105		172
Financing costs	-529		-990
Net financing costs		-424	-818
Result before taxation		28,595	20,610
Taxation	17 -5,883		-3,871
Result for the financial year		22,712	16,739
Result from participations after taxation		1,874	1,788
Result attributable to shareholders of Nedap N.V.		24,586	18,527

Accounting policies

Pursuant to Article 362(8), Book 2 of the Dutch Civil Code, use is made of the option to use Title 9 of Book 2 of the Dutch Civil Code for the company financial statements and apply the accounting policies of the consolidated financial statements. This ensures reconciliation of consolidated and separate shareholders' equity.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union. Please see the notes on the accounting policies for the consolidated financial statements for a description of the accounting policies relating to these standards.

Financial fixed assets include the Nedap group's subsidiaries and participations where significant influence can be exercised over the commercial and financial policy. Subsidiaries are presented as per the net asset value method, using the accounting policies of the consolidated financial statements.

1. Intangible fixed assets (€ x 1,000)

	Capitalized development costs	Software and licenses	In progress and prepayments	Total intangible fixed assets
Year-end 2023				
Purchase price	5,185	1,460	7,912	14,557
Amortization including impairments	-3,671	-732	-	-4,403
Book value	1,514	728	7,912	10,154
Movements in 2024				
Investment	1,190	5,397	-2,413	4,174
Disposal (on balance)	-	-55	-	-55
Amortization	-345	-222	-	-567
Impairments	-	-	-	-
Net movements	845	5,120	-2,413	3,552
Disposals (Purchase price)	-	-244	-	-244
Disposals (Depreciation)	-	189	-	189
Year-end 2024				
Purchase price	6,375	6,612	5,499	18,486
Amortization including impairments	-4,016	-764	-	-4,780
Book value	2,359	5,848	5,499	13,706
Movements in 2025				
Investment	4,319	1,016	-3,213	2,122
Disposal (on balance)	-	-	-	-
Amortization	-709	-867	-	-1,576
Impairments	-	-	-566	-566
Net movements	3,610	149	-3,779	-20
Disposals (Purchase price)	-	-12	-	-12
Disposals (Amortization)	-	12	-	12
Year-end 2025				
Purchase price	10,694	7,617	1,720	20,031
Amortization including impairments	-4,725	-1,619	-	-6,344
Book value	5,969	5,998	1,720	13,687

Intangible fixed assets in progress and prepayments include a €1,475 (in 2024: €3,406) investment relating to capitalized development costs in the financial year.

To a great extent, the capitalized development costs are for Healthcare and Retail information management systems.

2. Tangible fixed assets (€ x 1,000)

	Company buildings and premises	Machinery and installations	Other* fixed equipment	In progress and prepayments	Right-of-use assets	Total tangible fixed assets
Year-end 2023						
Purchase price	43,074	19,628	46,713	2,199	1,403	113,017
Depreciation including impairments	-25,937	-14,641	-30,475	-	-875	-71,928
Book value	17,137	4,987	16,238	2,199	528	41,089
Movements in 2024						
Investment	1,187	653	2,695	5,720	683	10,938
Completed assets in progress	-	-	2,199	-2,199	-	-
Disposal (on balance)	-	-	-158	-	-66	-224
Depreciation	-2,094	-955	-5,550	-	-353	-8,952
Impairments	-	-	-278	-	-	-278
Net movements	-907	-302	-1,092	3,521	264	1,484
Disposals (Purchase price)	-23	-7,165	-4,241	-	-324	-11,753
Disposals (Depreciation)	23	7,165	4,083	-	258	11,529
Year-end 2024						
Purchase price	44,237	13,116	47,364	5,720	1,763	112,200
Depreciation including impairments	-28,007	-8,431	-32,218	-	-971	-69,627
Book value	16,230	4,685	15,146	5,720	792	42,573

* Molds, dies, measuring and testing equipment, furniture and fittings, computer systems and vehicles.

2. Tangible fixed assets (€ x 1,000)

	Company buildings and premises	Machinery and installations	Other* fixed equipment	In progress and prepayments	Right-of-use assets	Total tangible fixed assets
Movements in 2025						
Reclass in progress**	-844	-303	-	1,147	-	-
Investment	180	111	4,060	3,806	2,163	10,320
Completed assets in progress	1,179	609	2,355	-4,143	-	-
Disposal (on balance)	-	-	-347	-	-42	-389
Depreciation	-2,116	-966	-5,489	-	-614	-9,185
Impairments	-	-	-	-	-	-
Net movements	-1,601	-549	579	810	1,507	746
Disposals (Purchase price)	-	-	-5,097	-	-145	-5,242
Disposals (Depreciation)	-	-	4,750	-	103	4,853
Year-end 2025						
Purchase price	44,752	13,533	48,682	6,530	3,780	117,277
Depreciation including impairments	-30,123	-9,397	-32,957	-	-1,481	-73,958
Book value	14,629	4,136	15,725	6,530	2,299	43,319

* Molds, dies, measuring and testing equipment, furniture and fittings, computer systems and vehicles.

** Up to and including 2024, Company buildings and premises and Machinery and installations included work in progress and prepayments; as of 2025, these amounts have been reclassified to the In progress and prepayments column.

Tangible fixed assets are insured at new-for-old value.

A right of mortgage on immovable property amounting to €18.9 million (in 2024: €18.9 million) has been granted as security for bank debts. Lease liabilities entered into as of 31 December 2025 were €2.2 million (as of 31 December 2024: €0.8 million). Impairment is explained under 'Impairment of assets'.

3. Financial fixed assets (€ x 1,000)

	2025	2024
Participations in group companies		
Value as of 1 January	14,429	10,673
Profit from continued operations	1,874	1,788
Profit from discontinued operations	-	-
Dividend payment	-650	-554
Exchange differences	-1,151	518
Sale of participation	-	-
Other changes	-	4
Value as of 31 December	14,502	12,429
New borrowings issued to participations	-	2,000
Repayments of borrowings by participations	-	-
Total value as of 31 December	14,502	14,429

Dividend payments concern payments from Nedap FZE (€300) and Nedap Iberia (€350).

In 2024, a loan of €2,000 was provided to Nedap Asia Ltd. No repayments were made during the year. Invoiced but unpaid interest for the financial year amounted to €82. The loan has a term of 20 years starting on 1 January 2024 and the interest rate agreed is 2.00% above the 12 month EURIBOR rate for a period of 12 months. Nedap Asia is allowed to make repayments and withdrawals without penalty to the maximum of the loan.

4. Inventories (€ x 1,000)

	2025	2024
Raw materials	3,079	6,778
Products in progress	659	475
(Semi-)finished goods (procured and manufactured)	20,956	20,377
Total	24,694	27,630

Inventories recognized as an expense during the year ended 31 December 2025 amounted to €65,701 (in 2024: €52,079). These were included in cost of materials and outsourced work. An amount of €2,540 (in 2024: €2,762) of inventories has been written down to a lower realizable value. Costs of write-down of inventory, which are recognized in cost of materials and outsourced work, amounted to €476 in 2025 (in 2024: €1,232).

5. Trade and other receivables (€ x 1,000)

	2025	2024
Trade receivables	30,130	27,470
Receivables from participations	-	-
Deferred tax assets	-	-
Other receivables and prepayments and accrued income	6,203	7,797
Total	36,333	35,267

Deferred tax assets and liabilities

Balance as of 31 December 2025	Deferred tax assets	Deferred tax liabilities
Tangible fixed assets	20	-
Intangible fixed assets	-	944
Anniversary benefits provision	-	8
Inventories	311	-
Other	426	419
Total before offsetting	757	1,371
Offsetting	-757	-757
Total after offsetting	-	614

	Deferred tax assets	Deferred tax liabilities
Balance as of 31 December 2024 (before offsetting)	564	1,021
Offsetting	-564	-564
Balance as of 31 December 2024 (after offsetting)	-	457
Withdrawals	-100	-
Additions	293	350
Balance as of 31 December 2025 (before offsetting)	757	1,371
Offsetting	-757	-757
Balance as of 31 December 2025 (after offsetting)	-	614

6. Cash and cash equivalents (€ x 1,000)

	2025	2024
Cash	-	-
Banks	1,499	1,523
Total	1,499	1,523

Cash and cash equivalents are available on demand.

7. Shareholders' equity (€ x 1,000)

Please see the consolidated statement of changes in shareholders' equity for the "statement of changes in shareholders' equity".

Legal and statutory reserves	2025	2024
Balance as of 1 January	5,096	2,093
Movement in capitalized development costs	370	2,454
Movement in exchange differences	-1,181	549
Balance as of 31 December	4,285	5,096

8. Provisions (€ x 1,000)

	2025	2024
Employee benefits	1,125	1,120
Guarantee provision	1,195	1,342
Total	2,320	2,462

Employee benefits	2025	2024
Anniversary benefits provision		
Balance as of 1 January	1,120	1,086
Withdrawals	-113	-112
Additions	118	146
Balance as of 31 December	1,125	1,120

The anniversary benefits provision has a predominantly long-term nature. Please refer to the consolidated financial statements for the assumptions.

Guarantee provision	2025	2024
Balance as of 1 January	1,342	1,692
Withdrawals	-778	-1,023
Additions	631	673
Balance as of 31 December	1,195	1,342

An amount of €638 (in 2024: €878) of the guarantee provision is of a short-term nature.

9. Non-current liabilities (€ x 1,000)

	2025	2024
Borrowings	-	14,000
Deferred tax liabilities	614	457
Lease liabilities	1,557	413
Total	2,171	14,870

Borrowings

The financing agreement with the bank for the Standby Roll-Over loan, set to expire on 1 April 2026, has been repaid in the financial year and a multi-purpose credit facility has been established. Security has been provided in the form of a right of mortgage (€18.9 million, not including 40% for interest and costs) and a pledge of all fixtures and fittings and trade receivables. The agreement does not contain any covenants. For further details see note 8 of the consolidated financial statements.

10. Current liabilities (€ x 1,000)

	2025	2024
Bank overdrafts	-	-
Lease liabilities	776	393
Taxation and social security contributions	5,896	4,122
Trade payables and other liabilities and accruals and deferred income	33,356	29,578
Total	40,028	34,093

Bank overdrafts

The maximum overdraft under the facility is €35 million (in 2024: €25 million).

Every year, over the period from April to September inclusive, an additional facility of €10 million (in 2024: €5 million) will be available.

Trade and other payables	2025	2024
Trade payables	12,056	13,340
Liabilities on account of investments	777	153
Prepayments	889	901
Liabilities to participations	3,227	2,305
Other liabilities and accruals and deferred income	16,407	12,879
Total	33,356	29,578

An amount of €49 (in 2024: €61) of other liabilities and accruals and deferred income relates to payables with a term of over one year.

11. Revenue (€ x 1,000)

	2025	2024
Products, systems and installations	155,271	133,051
Software subscriptions (licenses) and services	108,605	97,757
Total	263,876	230,808

Software subscriptions (licenses) and services consist mainly of subscriptions and maintenance contracts for Healthcare, Retail and Security.

Geographical sales areas	2025	2024
The Netherlands	118,526	99,949
Germany	30,278	28,238
Other Europe	68,025	61,206
North America	32,602	28,339
Other countries	14,445	13,076
Total	263,876	230,808

No customer represents sales in excess of 10% of total revenue.

12. Personnel costs (€ x 1,000)

	2025	2024
Wages and salaries	80,426	69,473
Social security costs	10,733	9,764
Pension costs	5,684	4,844
Recharged to subsidiaries	-300	-300
Insourced staff	10,222	10,356
Other personnel costs	5,518	5,670
Total	112,283	99,807

The directors' remuneration details are disclosed in note 15 of the consolidated financial statements.

Average number of employees	2025	2024
The Netherlands	943	917
Other Europe	9	9
Total	952	926

13. Amortization (€ x 1,000)

	2025	2024
Development costs	709	345
Software and licenses	867	222
Total	1,576	567

14. Depreciation (€ x 1,000)

	2025	2024
Company buildings	2,116	2,094
Machinery and installations	966	955
Other fixed equipment	5,489	5,550
Right-of-use assets	614	353
Total	9,185	8,952

15. Impairment of assets (€ x 1,000)

	2025	2024
Impairment of assets	566	278

Impairment of assets relates to legacy administrative software (in 2024: scaling down of Staffing Solutions).

16. Other operating costs (€ x 1,000)

The costs of foreign exchange differences recognized in profit or loss amount to €244 (in 2024: €-132).

Other operating costs include general, housing, indirect manufacturing and selling costs.

17. Taxation (€ x 1,000)

	2025	2024
Profit before taxation	28,595	20,610
Income tax	5,726	3,062
Deferred income tax	157	809
Total income tax	5,883	3,871

Reconciliation of effective tax rate	2025		2024	
Income tax based on Dutch tax rate	7,378	25.8%	5,317	25.8%
Change in domestic tax rate	-14	0.0%	-14	-0.1%
Effect of tax rate for foreign branch	12	0.0%	16	0.1%
Non-deductible expenditures	493	1.7%	248	1.2%
Tax incentive schemes	-2,275	-8.0%	-1,356	-6.6%
Rate change for deferred taxation	-65	-0.2%	-335	-1.6%
Prior-year adjustment	354	1.2%	-5	0.0%
Total	5,883	20.5%	3,871	18.8%

The change in the domestic tax rate is caused by a tax rate of 19% on the first €200 of taxable profit (in 2024: 19.0% on the first €200 of taxable profit). The net tax rate for the branch outside the Netherlands is higher than the nominal rate in the Netherlands, which leads to a small increase in the effective tax rate.

Non-deductible expenditures are largely costs relating to share-based remuneration. Besides a small amount for the Energy/Environmental Investment Tax Credit (“Energie/Milieu Investerings Aftrek”) of €-19 (in 2024: €-12), tax incentive schemes consist of benefits ensuing from application of the Innovation Box tax regime of €-2,256 (in 2024: €-1,344).

Deferred tax assets and liabilities are measured at the weighted average tax rate, factoring in any arrangements under the Innovation Box tax regime.

18. Commitments and contingent liabilities

A number of subsidiaries depend on Nedap N.V. continuing to make financing available. Nedap N.V. has, therefore, issued Letters of Support for Nedap Asia Ltd. and Nedap Great Britain Ltd., confirming that repayment of the financing will not be claimed within 12 months from the date of signing the financial statements for the year ended 31 December 2025. Furthermore these letters state, amongst others, Nedap N.V.’s intention to provide sufficient funds to ensure that these subsidiaries are able to meet normal trading liabilities as they fall due and confirm that current transfer pricing agreements will not be terminated within the aforementioned period of 12 months.

19. Independent external audit fees (€ x 1,000)

This item relates to the total fee for services provided by PricewaterhouseCoopers Accountants N.V.

	2025	2024
Audit of financial statements	381	343
Limited assurance sustainability statement	-	210
Taxation	-	-
Other non-auditing services	-	-
Total	381	553

Financial statements signature

Groenlo, the Netherlands, 23 February 2026

Board of Directors

Mr. R. M. Wegman, CEO

Mr. R. Schuurman, CCO

Ms. H. P. J. M. Jans, CFO

The Supervisory Board

Mr. P. A. M. van Bommel, chair

Ms. K. T. V. Bergstein

Ms. M. Pijnenborg, vice chair

Mr. S. C. Santema

Ms. M. A. Scheltema

6. Other information



6.1 Independent auditor's report

To: the general meeting and the supervisory board of Nedap N.V.

Report on the audit of the financial statements 2025

Our opinion

In our opinion:

- the consolidated financial statements of Nedap N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2025 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Nedap N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2025 of Nedap N.V., Groenlo. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2025;
- the following statements for 2025: the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in shareholders' equity; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the balance sheet as at 31 December 2025;
- the statement of profit or loss for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section ‘Our responsibilities for the audit of the financial statements’ of our report.

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

Independence

We are independent of Nedap N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. Therefore, we do not provide separate opinions or conclusions on information in support of our opinion, such as our findings and observations related to individual key audit matters and the audit approach to address fraud risk and going concern.

Overview and context

Nedap N.V. is a company that develops, produces, or has third parties manufacture, and markets technologically innovative products and services. The development activities mainly take place at the head office in Groenlo, in what are known as business units. The Group has foreign sites that support the sales of its products and solutions. Product manufacturing is largely outsourced to specialized partners. There is limited product manufacturing at Nedap’s own production facility in Groenlo. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section ‘The scope of our group audit’.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered the informal nature of internal control and where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.

In the paragraph estimates in the notes of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. We have identified the capitalization of development costs as a key audit matter, as further explained in the section ‘Key audit matters’. This is mainly related to the extent of the research and development costs incurred by the business units in developing new propositions, and the uncertainty associated with the future economic benefits of these propositions. Furthermore, we identified the audit of revenue recognition as a key audit matter given the variety in revenue streams.

Nedap N.V. assessed the possible effects of climate change and its plans to meet the net zero commitments on its financial position. We discussed Nedap N.V.’s assessment and governance thereof with the board of directors and the Audit & Risk Committee and evaluated the potential impact on the financial position including underlying assumptions and estimates. The expected effects of climate change are not considered to impact the key audit matters.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a company that generates revenue through the development and sale of technologically innovative products and services. We therefore included specialists in the area of IT audit in our team.



The outline of our audit approach was as follows:

Materiality

- Overall materiality: €2,150,000

Audit scope

- The group audit mainly focused on Nedap N.V. for which an audit of the complete financial information has been carried out. For Nedap Inc, specified procedures have been performed.
- Audit coverage: 89% of consolidated revenue, 86% of consolidated total assets and 91% of consolidated profit before tax.

Key audit matters

- Capitalization of development costs; and
- Audit of revenue recognition.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality

€2,150,000 (2024: €2,000,000).

Basis for determining materiality

We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.8% of total revenues.

Rationale for benchmark applied

We used total revenues as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that total revenues are the most relevant metric for the financial performance of the Company. Nedap is aiming for autonomous revenue growth, especially with recurring revenue being less volatile and more predictable. Revenue growth and the percentage of recurring revenues are important KPIs. Additionally, revenue is the main driver of EBIT, which is another important KPI and bonus target. Therefore, it has been concluded that revenue is the appropriate benchmark.

Component materiality

Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €107,500 (2024: €100,000) and reclassification misstatements above €1,500,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Nedap N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Nedap N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the Group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

Based on this outcome, we subjected Nedap N.V. to the audit of the complete financial information, as Nedap N.V. is considered significant due to risk and size. We selected Nedap Inc for specified procedures to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	89%
Total assets	86%
Profit before tax	91%

None of the remaining components represented more than 8% of total group revenue or total group assets. For those remaining components we performed other procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The Group engagement team performed the audit work for the group entity Nedap N.V. and Nedap Inc.

By performing the procedures outlined above, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements in the financial statements due to fraud. During our audit we obtained an understanding of Nedap N.V. and its environment and the components of the internal control system. This included the board of directors' risk assessment process, the board of directors' process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section '3.2 Risk management & internal controls' of the annual report for the board of directors' fraud risk assessment and section 'Risk management' of the supervisory board report in which the supervisory board reflects on this fraud risk assessment.

We evaluated the design and implementation of relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as part of Nedap Risk Management Framework as well as the code of conduct and whistleblower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We performed inquiries with a selection of members of the board of directors, senior management and the internal audit to evaluate their fraud awareness, the Group's internal control environment in relation to fraud, the 'tone at the top' and entity-level controls. As part of these procedures, we have requested the internal auditor to fill out our fraud questionnaire and discussed the outcomes of this questionnaire.

We asked members of the board of directors, as well as the internal audit department, legal affairs and the supervisory board whether they were aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
<p>The risk of management override of controls In all our audits we pay attention to the risk of the board of directors breaching internal control measures, including risks of possible material misstatements as a result of fraud in estimates based on an analysis of possible interests of the board of directors.</p> <p>The board of directors receives bonuses, the size of which partly depends on the achievement of financial targets set by the supervisory board, as disclosed in the remuneration report.</p> <p>In addition, the board of directors has the opportunity to influence estimates due to the unique position in which it finds itself.</p> <p>In that context, we have paid special attention to the capitalized development costs, given the estimation element in this item.</p>	<p>To the extent relevant to our audit, we have evaluated the design of internal control measures to mitigate the risk of override of internal control in the processes for generating and processing journal entries and making estimates.</p> <p>We have selected journal entries based on risk criteria and performed specific audit procedures, whereby we also paid attention to identifying significant transactions outside the normal course of business.</p> <p>We also performed specific audit procedures with regard to important estimates made by the board of directors, including the capitalization of development costs. For this, we refer to the key audit matter section. We have paid particular attention to the inherent risk of bias of the board of directors in the estimates.</p> <p>Our procedures have not revealed any material misstatements in the information provided by the board of directors in the financial statements and the directors' report.</p> <p>Our procedures have not led to specific indications of fraud or suspicions of fraud with regard to the risk of management override of controls.</p>
<p>The risk of fraudulent financial reporting due to overstating the revenue As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue give rise to risk of material misstatement due to fraud.</p> <p>The board of directors receives bonuses, of which the size partly depends on the financial results achieved. In this context, the board of directors has been given specific targets for growth in revenue and results as explained in chapter 4.2 '2025 Remuneration report' of the annual report. This could lead to pressure on the board of directors to overstate revenue by entering fictitious revenue.</p>	<p>To the extent relevant to our audit, we have evaluated the design of internal controls surrounding revenue recognition and the processes for generating and processing journal entries regarding revenue.</p> <p>We have carried out specific work on the occurrence of revenues:</p> <ul style="list-style-type: none"> - We have sample tested the settled revenue transactions against the underlying sales invoices and cash receipts. - The unsettled revenue transactions have been sample tested by sending out accounts receivable confirmations at the year-end date. - We carried out substantive procedures on the credit notes during the year and after the end of the financial year. - We have selected journal entries based on risk criteria related to revenue and performed specific audit procedures. - For revenue from healthcare SaaS solutions and care technology products, we tested the control with regard to the monthly comparison between the subledger and the license database. Furthermore, we substantively tested the revenue from services for certain business units by reconciling the sales transactions to the underlying license databases. <p>Our work has not revealed any material misstatements in the information provided by management in the financial statements and the directors' report.</p> <p>Our work has not led to specific indications of fraud or suspicions of fraud with regard to the occurrence of revenue recognition.</p>

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

Audit approach going concern

As disclosed in section 'Going concern' within the notes to the financial statements the board of directors performed its assessment of the Company's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the board of directors' going-concern assessment included, amongst others:

- considering whether the board of directors' going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the board of directors regarding the board of directors' most important assumptions underlying its going-concern assessment;
- evaluating the board of directors' current budget, including cash flows taken into account current developments in the industry and all relevant information of which we were aware as a result of our audit;
- analyzing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations;
- performing inquiries of the board of directors as to its knowledge of going-concern risks beyond the period of the board of directors' assessment.

Our procedures did not result in outcomes contrary to the board of directors' assumptions and judgements used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Key audit matter**Capitalization of development costs**

The disclosure of intangible fixed assets is included in disclosure note 1 in the consolidated financial statements.

Research and development for new propositions is part of the core activities of Nedap N.V. Costs incurred for research are charged directly to the result before taxation. The development costs for propositions that have been determined to be technically feasible and that have sufficient market potential are administered separately per proposition.

Based on the internally defined capitalization criteria, which comply with IAS 38, a decision is made for each individual proposition whether the development costs can be capitalized as intangible fixed assets. If the costs do not meet the capitalization criteria, they are charged directly to the result before taxation.

At year-end 2025, the capitalized development costs balance amount to €6 million (31 December 2024: €2.4 million).

The distinction between the development of a new proposition and the further development and/or maintenance of an existing proposition requires judgement. In addition, there is uncertainty as to whether propositions will ultimately lead to future economic benefits. As a result of these aspects, as well as the material amounts involved in research and development, we have identified the capitalization of development costs as a key audit matter.

Audit of revenue recognition

The disclosure of revenues is included in disclosure note 14 in the financial statements.

The revenue of Nedap N.V. consists of various contract forms with elements of the delivery of products, services (consisting of subscriptions, maintenance contracts and licenses) and combinations thereof, all of which have a separate transaction price. The agreed performance obligations may have an impact on the moment at which revenues may be recognized, in accordance with the requirements of IFRS 15.

The diversity of business units, types of contracts, and relatively informal internal control has led to us focusing a significant part of our efforts on verifying the accuracy and completeness of the revenue recognized in the financial statements.

Our audit work and observations

We tested the assessment made by the board of directors regarding the capitalization of development costs based on the capitalization criteria from IAS 38. Our procedures included interviews with employees and members of the board of directors involved, reading minutes, and consulting public sources. We also took note of the internal processes surrounding the administration and management of research and development costs. We have carried out a substantive audit of the administration at proposition level per business unit.

We have tested the accuracy of the capitalized development costs by testing the applicable principles for capitalization, including the assessment of the principles and assumptions regarding the technical feasibility of the propositions as well as the board of directors' analysis of the future economic benefits.

With regard to the completeness of the capitalized development costs, we sample tested various propositions based on size and risk. Based on interviews, project plans, progress reports and other documentation, we determined that the principles used for not capitalizing these propositions and development costs are appropriate based on the criteria of IAS 38.

Based on professional judgement and the explanations and substantiations per proposition, we agree with the development costs capitalized by the board of directors.

We have tested the accuracy of the revenues by testing the operating effectiveness of the monthly control on standing data changes in revenue prices. Furthermore, we performed our own detailed observations by sample testing the revenue recognized in the general ledger against the performance obligations in the underlying sales agreements and sales invoices.

Based on sample testing, we have reconciled the settled revenue transactions against the underlying sales invoices and cash receipts.

The unsettled revenue transactions have been sample tested by sending out accounts receivable confirmations at year-end.

We carried out substantive procedures on the credit notes during the year and after the end of the financial year.

Regarding the completeness of revenue from the delivery of products, we have performed detailed testing of underlying sales transactions of hardware products.

For revenue from healthcare SaaS solutions and care technology products, we tested the control with regard to the monthly comparison between the subledger and the license database.

Furthermore, we substantively tested the revenue from services for certain business units by reconciling the sales transactions to the underlying license databases.

We have verified the cut-off by sample testing, the revenue recognized in the general ledger against the sales invoices and delivery notes for both the periods before and after year-end.

For the cut-off of revenue from services, we performed analytical procedures to identify discrepancies in the revenue that is recognized on a monthly basis.

For presentation and disclosure of revenue, we verified the classification of revenue between recurring (revenue from software subscriptions (licenses) and services) and non-recurring (revenue from products, systems and installations).

We did not identify any misstatements based on the procedures performed.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report, excluding the sustainability statement, and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The board of directors and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of Nedap N.V. on 2 April 2015 by the supervisory board and have been reappointed for a three-year period on 12 April 2022. This followed the passing of a resolution by the shareholders at the annual general meeting held on 2 April 2015 and on 12 April 2022. Our appointment now represents a total period of uninterrupted engagement of 10 years.

European Single Electronic Format (ESEF)

Nedap N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by Nedap N.V., complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors and the supervisory board for the financial statements

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within The Group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Zwolle, 23 February 2026
PricewaterhouseCoopers Accountants N.V.

F.S. van der Ploeg RA

6.2 Profit appropriation

(€ x 1,000)	2025	2024
Result for the financial year	24,586	18,527
Addition to (-) or withdrawal from (+) other reserves	-127	2,556
Dividend payable on ordinary shares	24,459	21,083

In accordance with article 43 of the Articles of Association

Paragraph 1

Every year, the Board of Directors decides, with the Supervisory Board's prior approval, how much of the profit – the positive balance of the statement of profit or loss – will be transferred to the reserves.

Paragraph 2

From the profit after transfer to reserves as per article 43.1, dividend is paid on preference shares at a rate that equals the sum of the weighted averages of the European Central Bank's deposit rate – weighted based on the number of days for which payment is awarded – plus three per cent (3%). The dividend on preference shares is calculated on the paid-up part of the nominal amount. If in any one year the profit is not sufficient to pay the dividend on preference shares as specified in the first sentence of this paragraph, as much of the deficit as possible will be charged to the freely distributable part of the shareholders' equity.

Paragraph 3

The remaining amount will be paid as dividend on ordinary shares.

Paragraph 5

In case of a loss in any one year, no dividend will be paid for that year. Also in subsequent years, dividend can be paid only after the loss has been made up by a profit.

The general meeting can, however, following a proposal to that effect by the Board of Directors, with prior permission from the Supervisory Board, decide to offset such a loss against the distributable part of the shareholders' equity.

6.3 Companies & management

As of 23 February 2026

Headquarters

Nedap N.V.

Mr. R. M. Wegman (1966)

Mr. R. Schuurman (1969)

Ms. H. P. J. M. Jans (1974)

Parallelweg 2
7141 DC Groenlo
The Netherlands

Nedap Leadership Team

Managing Director Healthcare — Mr. A. C. Foeken (1981)

Managing Director Livestock — Mr. M. H. J. Idink (1982)

Managing Director Retail — Mr. O. F. J. van den Broek (1984)

Managing Director Security — Ms. N. Aydoun (1983)

General Counsel — Mr. D. W. de Vries (1976)

Subsidiaries

Asia Pacific

Nedap Asia Ltd. — Mr. G. H. M. Derksen (1990)

Austin Plaza 15F, Units 3-5

No. 83, Austin Road

Kowloon

Hong Kong

China

Nedap China Ltd. — Mr. G. H. M. Derksen (1990)

Room 2306, Raffles City

Office Tower 2

No. 1189, Changning Road

200051 Shanghai

China

Nedap NZ Ltd. — Mr. G. J. Hamill (1971)
 BDO Christchurch Ltd., Level 4
 287-293 Durham Street North
 Christchurch 8013
 New Zealand

Europe

Nedap Deutschland GmbH — Mr. J. Rutgerink (1989)
 Mies van der Rohe Business Park, Girmesgath 5,
 Gebäude B1, 3.OG 47803 Krefeld
 Germany

Nedap Great Britain Ltd. — Mr. E. Groeskamp (1961)
 1230 Arlington Business Park
 Theale, Reading
 United Kingdom

Nedap Iberia S.A.U. — Mr. K. J. van de Groep (1982)
 Paseo de la Castellana 43
 28046 Madrid
 Spain

Nedap Polska Sp. z o.o. — Mr. M. J. Bomers (1982)
 Aleja Niepodległości 18
 02-653 Warszawa
 Poland

Middle East

Nedap FZE — Mr. M. van Cauwenberghe (1979)
 Dubai Digital Park, Office 402,
 Building A4
 P.O. Box 341213 Dubai
 Silicon Oasis
 United Arab Emirates

North America

Nedap Inc. — Mr. G. B. P. Gozdek (1979)
 800 District Avenue, Suite 510
 Burlington, MA 01803
 United States of America

Branches

Public limited company Nedap N.V., based in Vilvoorde, Belgium (trading under the name: Nedap België)

Nedap België — Mr. K. J. van de Groep (1982)
 Maria-Theresialaan 2.0.1
 1800 Vilvoorde
 Belgium

7. Additional information



7.1 Five-year summary

Operations (€ x 1,000)	2025	2024	2023	Excluding NBT 2022	Including NBT 2022	2021
Revenue	279,813	251,606	262,426	229,479	230,559	207,012
Revenue growth	11%	-4%	14%	0%	11%	9%
Recurring revenue¹	111,481	100,193	84,127	70,756	70,983	58,535
Growth in recurring revenue	11%	19%	19%	0%	21%	16%
Recurring revenue as % of total revenue	40%	40%	32%	31%	31%	28%
Added value²	204,704	179,898	180,979	153,568	154,544	139,325
- as % of revenue	73%	71%	69%	67%	67%	67%
- per FTE	201	181	197	186	186	180
Research and development costs³	55,752	50,191	46,876	40,419	40,419	36,732
- as % of revenue	20%	20%	18%	18%	18%	18%
EBITDA excluding one-off items⁴	44,068	34,633	37,430	33,136	33,458	33,214
Operating profit	31,745	23,889	27,323	23,545	23,790	23,072
- as % of revenue	11%	9%	10%	10%	10%	11%
Operating profit excluding one-off items⁴	31,745	23,889	27,323	23,545	23,790	23,072
- as % of revenue	11%	9%	10%	10%	10%	11%
Operating profit growth	33%	-13%	16%	0%	3%	35%
Profit for the financial year	24,586	18,527	21,641	18,704	18,704	18,284
- as % of revenue	9%	7%	8%	8%	8%	9%

¹ Revenue from software subscriptions (licenses) and services.

² Added value per FTE is revenue plus or minus inventory movements, less the cost of materials, outsourced work and logistics costs divided by the average number of FTEs.

³ Research and development costs mostly relate to maintaining and further developing current products and services. The remaining costs are for research and development in relation to new products or services. Such development costs are only capitalized if the applicable IAS 38 criteria are met.

⁴ A specification of one-off items, as applicable, is provided in the report for the financial year to which these items relate.

Per share ¹ (€ x 1)				Excluding NBT	Including NBT	
	2025	2024	2023	2022	2022	2021
Operating cash flow	6.74	4.39	4.56	-	2.71	4.36
Profit for the financial year	3.72	2.82	3.31	-	2.87	2.82
Profit excluding one-off items	3.72	2.82	3.31	-	2.87	2.82
Dividend	3.70	3.20	3.20	-	3.00	3.00
Pay-out ratio	99%	113%	97%	-	105%	106%
Outstanding shares						
Year-end ²	6,610,646	6,588,525	6,554,003	6,519,965	6,519,965	6,486,501
Yearly average ²	6,605,616	6,581,074	6,546,636	6,512,369	6,512,369	6,482,444
Number of employees						
Year-end	1,077	1,041	1,028	909	915	820
Yearly average	1,063	1,040	969	863	868	812
Number of FTEs						
Year-end	1,032	999	977	866	872	786
Yearly average	1,019	996	921	824	829	775

¹ Based on the average number of outstanding shares; dividend is based on the number of outstanding shares as of 31 December.

² Explained in note 7 to the consolidated financial statements.

				Excluding NBT	Including NBT	
Financing (€ x 1,000)	2025	2024	2023	2022	2022	2021
Net debt	-3,376	9,643	3,844	-3,354	-3,483	-15,615
Net debt-to-EBITDA excluding one-off items	-0.1	0.3	0.1	-0.1	-0.1	-0.5
Shareholders' equity¹	89,515	83,703	85,331	81,194	81,194	80,306
Balance sheet total	136,378	137,382	139,866	134,488	134,677	131,511
Solvency²	66%	61%	61%	60%	60%	61%

¹ Shareholders' equity includes undistributed profit.

² Solvency is the shareholders' equity divided by the balance sheet total.

				Excluding NBT	Including NBT	
Utilization of capital (€ x 1,000)	2025	2024	2023	2022	2022	2021
Inventories	29,966	32,038	38,904	27,746	28,343	23,466
- as % of revenue	11%	13%	15%	12%	12%	11%
Net working capital¹	26,512	34,956	35,010	31,987	32,582	22,127
- as % of revenue	9%	14%	13%	14%	14%	11%
ROIC²	37%	26%	31%	30%	31%	36%

¹ Net working capital is current assets excluding cash and cash equivalents, less employee benefits, provisions, deferred tax liabilities, income tax payable, taxation and social security contributions, lease liabilities, trade liabilities and other payables.

² Return on Invested Capital (ROIC) represents operating profit divided by invested capital (fixed assets + net working capital).

7.2 Nedap shares

Euronext Amsterdam listing

Nedap has been listed on the Amsterdam stock exchange, which is currently known as Euronext Amsterdam, since 1947, trading under the ticker symbol NEDAP and ISIN code NL0000371243. Nedap is included in the Next-20 index. All Nedap's outstanding shares are ordinary shares with a nominal value of €0.10. As of 31 December 2025, a total of 6,610,646 ordinary shares were outstanding.

Substantial participations

In the context of notifications regarding major holdings and capital interests, stakes of 3% or more in the issued share capital must be reported to the Dutch Authority for the Financial Markets. The table below lists all notifications to the Dutch Authority for the Financial Markets through to mid-February 2026.

Shareholders	Stake in Nedap
Cross Options Beheer B.V.	14.61%
Teslin Participaties Coöperatief U.A.	10.19%
NN Group N.V.	9.97%
ASR Nederland N.V.	8.20%
Steflot S.à r.l.	7.45%
Decico B.V.	5.01%
CZ Capital B.V.	5.00%
Add Value Fund N.V.	4.97%
Stichting Medewerkerparticipatie Nedap	3.35%

Dividend policy

Nedap's dividend policy derives from the company's strategy and long-term policy. The policy is based on a careful assessment of how much of the profit is deemed necessary for investments in profitable growth and the intended financing structure. The remaining amount is paid out to shareholders in full.

Liquidity provider

ABN AMRO Bank N.V. is the company's liquidity provider as of 13 February 2026 (2025: Kepler Cheuvreux).

Financial calendar

Trading update - Q1	7 April 2026
Annual general meeting	8 April 2026
Ex-dividend date	10 April 2026
Record date	13 April 2026
Dividend payable date	20 April 2026
Publication of half-yearly figures	16 July 2026
Trading update - Q3	15 October 2026

Nedap shares

Dividend per share



Investor Relations

Nedap sets great store by maintaining a close and open dialogue with our shareholders to provide them with insight into the organization and the markets in which we operate. We stay in touch with shareholders and interested institutional investors, both in the Netherlands and beyond, through conferences, road shows and one-on-one meetings. During the Capital Markets Day in November 2024, we presented our strategic update and shared our Create & Scale strategy. All publications, presentations and meetings in this context adhere to current rules and guidelines set by the industry regulator, i.e., the Dutch Authority for the Financial Markets. Informing all stakeholders immediately and simultaneously always comes first in this respect. Rianne Jans (CFO) is the point of contact for Investor Relations at Nedap.

Prevention of misuse of inside information

Being a listed company, Nedap has an Insider Trading Policy that lays down our policy with respect to preventing the misuse of inside information. This policy governs all employees, directors, Supervisory Board members and any external staff where relevant. The Insider Trading Policy is available on [the Corporate Governance page on our website](#).

The inside information compliance officer oversees compliance with laws and regulations on the misuse of inside information.

7.3 Stichting Medewerkerparticipatie Nedap

Stichting Medewerkerparticipatie Nedap shareholding (shares x 1)	2025	2024
Balance as of 1 January	241,687	217,722
Additions during the year	18,669	31,332
Bonus shares received	3,452	3,190
Withdrawn during the year	-31,879	-10,557
Balance as of 31 December	231,929	241,687

Stichting Medewerkerparticipatie Nedap holds 3.4% of the total issued share capital.

Shares purchased over the period from 2022 to 2025 are still locked up. Of the 231,929 shares held, 107,537 are still in the locked-up period. These 107,537 locked-up depositary receipts entitle holders to 15,325 bonus depositary receipts.

Unvested bonus depositary receipts (receipts x 1)	2025	2024
Balance as of 1 January	16,376	15,196
Bonus depositary receipts vested	-3,452	-3,190
Bonus depositary receipts awarded	4,290	4,602
Bonus depositary receipts forfeited	-1,889	-232
Balance as of 31 December	15,325	16,376

8. Sustainability statement



8.1 Basis for preparation

8.1.1 General basis for preparation of the sustainability statement

The sustainability statement has been prepared for the year ending 31 December 2025. The information is consolidated on the same basis as the financial statements, meaning the scope covers Nedap N.V. and its subsidiaries (jointly referred to as Nedap), without any exemptions. Unlike in 2024, Nedap did not request assurance on the sustainability statement.

The sustainability statement covers Nedap's upstream and downstream value chain. Our reported scope 3 greenhouse gas (GHG) emissions cover our upstream GHG emissions, specifically GHG emissions from tier 2 suppliers, as well as downstream GHG emissions from the use phase and end-of-life phase of products, although we may not know the (end) customer.

There will be no omission of information based on intellectual property, know-how, or the results of innovation, nor an exemption under articles 19a (3) and 29a (3) of Directive 2013/34/EU.

Policies, actions, targets, and metrics

In the topical sections of our sustainability statement, we disclose information about our policies, actions, and targets arising from those policies, and the metrics used to monitor progress for each topic.

Unless stated otherwise, the following points apply to all our policies, actions, targets, and metrics:

- All policies, actions, and targets apply to all our activities worldwide, and to all our own employees globally.
- The Board of Directors is accountable for the implementation of the policies.
- All policies relevant to our stakeholders are made public on our website.
- All actions are planned for the medium term.
- No external body has validated the metrics.
- All metrics with a currency in the unit of measure use euro as the currency.

8.1.2 Disclosures in relation to specific circumstances

Other than the disclosures below, there are no specific circumstances to mention.

Time horizons

For the preparation of the sustainability statement, we have used the same definitions for short-, medium-, and long-term time horizons as defined by ESRS 1 section 6.4, being the reporting year, up to five years after the reporting year, and more than five years after the reporting year.

Estimations

Preparing the sustainability statement involves making judgments, estimates, and assumptions that impact the reported amounts, both financially and non-financially. These are based on management's experience and various other factors considered reasonable under the circumstances. Nedap's management reviews these estimates and assumptions regularly. Within the sustainability statement, our scope 3 GHG emissions require the highest degree of judgment and are more complex. Future changes in these assumptions and estimates could lead to different results than those presented in this sustainability statement and may be revised accordingly. These scope 3 GHG emission metrics include upstream and downstream value chain data estimated using indirect sources, such as sector-average data or industry averages. We choose sources that are relevant to the location where the GHG emissions take place. For material GHG emissions, we aim to make use of the most accurate values possible to limit estimations. More detailed information on estimations and assumptions will be included alongside the disclosures they apply to. For our durability calculations, we use internal subject matter experts, product specification information, sales information in product databases, and business partner inquiry.

The sustainability statement may contain ambitions, objectives, targets, and expectations that are subject to changes in the future and are hence deemed uncertain information.

Changes in preparation or presentation of sustainability information

2025 marks the second year of Nedap presenting its sustainability information in compliance with the European Sustainability Reporting Standards (ESRS). Following the 2025 update of Nedap's Double Materiality Assessment (DMA), Resource outflows related to Products and Services (ESRS E5) is no longer considered a material sustainability matter. As a result, Nedap will no longer provide detailed disclosures under ESRS E5, including aspects related to product durability, repairability, and recyclability.

Based on new insights, the materiality of the subtopic Resource outflows under ESRS E5 has been reassessed. Testing with recyclers showed that Nedap's products are more recyclable than initially assumed and thus result in less material loss. In addition, the reassessment confirmed that only a limited group of products presents potential end-of-life constraints. These constraints are limited to products containing potting material, while other products performed better in recycling tests than previously expected.

Moreover, Nedap's portfolio continues to shift toward software and SaaS solutions. As a result, the relative importance and expected future scale of hardware-related products are decreasing, further limiting potential environmental and financial risks

In November 2025, we finished the Science Based Targets initiative (SBTi) validation process to validate our near-term science-based GHG emissions reduction targets. During the course of the validation process, we made two changes compared to last year. First, our scope 3 target is now based on both category 1 (purchased goods) and category 11 (use phase GHG emissions). This ensures compliance with the requirement that the target accounts for a minimum of 67% of total scope 3 GHG emissions, both in the base year of 2020 and our recent reporting years. Second, we have moved GHG emissions related to warehousing activities from scope 3 category 1 to scope 3 category 4. In addition, we now categorize scope 3 transportation-related GHG emissions (categories 4 and 9) based on who pays for the transport, rather than on their location in the value chain (upstream or downstream). Transportation paid for by Nedap falls under category 4, while transportation paid for by others falls under category 9. This did not change the total GHG emissions, but only the GHG emissions in the mentioned categories within scope 3.

This reassessment was conducted in alignment with external stakeholders. The outcomes were validated through surveys and discussions with customers, suppliers and downstream partners, who confirmed the assessment and did not identify significant impacts, risks or opportunities related to this subtopic.

As of 2025, we are also able to calculate scope 1 GHG emissions directly for more items, rather than relying on clusters and reference items. We now calculate transportation-related emissions from vendors (categories 4 and 9) and end-of-life-related emissions (category 12) on an individual level. This has resulted in a non-material change in scope 3 GHG emissions for the base year 2020 and for 2024.

Other than the disclosures pursuant to the EU Taxonomy Regulation, no other disclosures will be added to the sustainability statement.

Transitional provisions

As permitted under Appendix C of ESRS 1, as amended by Commission Delegated Regulation (EU) 2025/1416, we have made use of the transitional provisions and omitted the following disclosure requirements:

- E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities.

8.1.3 Disclosures incorporated by reference

Some of the disclosures mandatory under the ESRS are incorporated by reference, referring to other parts of our management report. The following list includes instances of incorporation by reference:

- ESRS 2 GOV-1, paragraph 19: Information about the members of the Supervisory Board is disclosed in the subsection Supervisory Board composition and skills matrix of [section 4.1 Report of the Supervisory Board](#).
- ESRS 2 GOV-3, paragraph 27: Information related to the remuneration of members of the Board of Directors is disclosed in the Remuneration summary subsection of [section 4.2 Remuneration report](#) and for Supervisory Board members in subsection Supervisory Board member remuneration of that same section.
- ESRS 2 SBM-2, paragraph 45b: A description of stakeholder interests and views is provided in the subsection stakeholder table of [section 1.4 Sustainability](#).
- ESRS 2 IRO-1, paragraph 53 d, e, and f: Information related to risk management and control systems is disclosed in the subsection Nedap Risk Management Framework of [section 3.2 Risk management & internal controls](#).
- ESRS E1 24/ESRS 2 65a: Key contents of our Sustainability policy are disclosed in [section 1.4 Sustainability](#).

8.2 Business model and strategy

8.2.1 Nedap's business model and value chain

As described in [section 1.1 The Nedap Story](#), Nedap delivers digital twin solutions in key markets Healthcare, Livestock, Retail, and Security. With our technology stack, built on IoT, RFID, Vision, and SaaS, we help organizations optimize their operations, manage risks, and make data-driven decisions. Nedap takes a people-centered approach to technology to distinguish itself in its markets. Our revenue is generated from the sales of products and systems, software subscriptions, and services.

We operate in four key markets:

- Our Healthcare business unit develops and markets software solutions that support healthcare institutions in the Netherlands in planning, registering, and administering care processes.
- Nedap's Livestock business unit develops and markets sensor-based cow monitoring and management solutions globally.
- Nedap's Retail business unit develops and markets global RFID solutions for optimized inventory management, simplified shop processes, and the prevention of shrinkage.
- Nedap's Security business unit develops and markets access management solutions to secure people, buildings, and assets globally.

Our solutions aim to drive progress and efficiency in these diverse markets.

Our value creation model shows how we use the available resources to create value for the organization, our stakeholders, and society. We consider our solutions to be successful when they create value for people, planet, and society, and always in combination with healthy financial results. In this respect, we see market leadership as proof of our relevance in people's day-to-day lives and high added value per employee as an indicator of the success of our value creation process. This indicates the current and expected benefits for customers, investors, and stakeholders.

We achieve this as a group of more than 1,000 employees worldwide and 100 non-employees (independent contractors, secondment contractors, and temporary employees). More than 90% of employees are located on our campus in Groenlo, the Netherlands, and the other employees are located at the offices of Nedap subsidiaries.

Electronic manufacturing service suppliers represent the main business actors upstream in our value chain, and our business partners and end-customers represent the main actors downstream in our value chain. Based on the revenue generated by our products and services, our revenue of €279.8 million can be broken down into two ESRS sectors, being €154.5 million in Manufacturing – Machinery and Equipment (consisting of the sales of our hardware, which we procure from our suppliers or manufacture ourselves) and €125.3 million in Technology – Software and IT Services (consisting of recurring sales related to licenses and one-time sales of software and services).

The sustainability goals reported in this sustainability statement apply to all our business activities across our global operations. Accordingly, we do not set goals for individual groups of products or services, key markets, or geographical regions. In addition, we determined that our sustainability goals are not directly tied to any of these individual categories.

We have mapped the value chain for all Nedap solutions across our four key markets. We distinguish between the software value chain (subscriptions and services) and hardware value chain (products and systems). Depending on the business model for the key market, these value chains are either separate or integrated.



We have identified two main inputs for our operations: employees and raw materials. Both value chains rely on employees, whose knowledge is essential for developing our solutions and creating value for our customers. The hardware chain also relies on securing raw materials in the form of components used in the manufacturing process of our hardware products.

We considered potential stakeholder groups as outlined in the ESRS in mapping our value chain. These groups include employees and other workers, local communities, government, suppliers, vulnerable groups, (civil) society, consumers and end-users, authorities, analysts and academics, trade unions, investors and shareholders, and nature. As part of the process, we identified stakeholders who may be positively or negatively impacted by Nedap’s activities and mapped them to the value chains. Each business unit provided additional details specific to their stakeholders.

Stakeholders have been categorized into primary stakeholders (those directly involved with Nedap) and secondary stakeholders (those with indirect contact). The purpose of this classification is to link environmental, social, and governance (ESG) issues to stakeholders’ positions in the value chain and to identify where sustainability concerns are likely to arise based on the nature of activities, business relationships, geographies, or other risk factors.

This analysis served as the foundation for mapping the longlist of material ESG issues to the stakeholders in the value chain, culminating in Nedap’s value chain analysis document.

8.2.2 Nedap's engagement with stakeholders

Nedap established a core project team to conduct the Double Materiality Assessment (DMA). This team is comprised of employees who represent relevant departments, such as Finance, Legal, Human Resources, Sustainability, and our supplier and customer-related experts.

The Board of Directors and Supervisory Board participated in validating the process and results of the DMA using the available information on the views and interests of affected stakeholders. Following the internal validation process, the findings were shared and discussed with stakeholders, including employees, investors, shareholders, customers, and suppliers. This specific step in the DMA process is elaborated upon in the following sections.

We used the contacts with our internal and external stakeholders to identify and confirm the material sustainability matters for Nedap. We will continue to engage with each stakeholder group for various purposes (e.g., information sharing, consultation, collaboration) and use appropriate engagement methods (e.g., surveys, interviews, focus groups). By engaging with our stakeholders, we aim to incorporate their views and interests regarding our sustainability matters into our strategy and business model.

We prepare materials and tools (e.g., questionnaires, discussion guides, presentation slides) and document the results of these engagements. This enables us to cross-reference any new interests that emerge with internal assessments and external benchmarks and confirm current or identify new sustainability matters relevant to Nedap's business and stakeholders.

As sustainability becomes increasingly important to most stakeholders, we maintain open channels of communication. This allows for continuous feedback and the updating of engagement strategies and materiality assessments based on evolving stakeholder expectations and regulatory requirements.

For the interests and influence of each stakeholder group, we refer to the stakeholder table in [section 1.4 Sustainability](#) that we incorporate by reference. Feedback from our stakeholders is taken into account and is used to validate our strategy and business models. The matrix also includes information on our engagement with employees and end-users and consumers specifically.

8.3 Material sustainability matters

8.3.1 Double Materiality Assessment process

Longlist of relevant sustainability matters

After our first DMA in 2024, which was mainly an internal process, the 2025 process focused on involving our suppliers and customers and confirming our material topics. As no new topics emerged in the evaluation of the longlist, we included the same topics as in 2024: GHG emissions, climate-related physical risks, climate-related transition risks, resource inflows, resource outflows, and waste.

Assessing impacts, risks, and opportunities

We reassessed the negative impacts, positive impacts, financial risks, and financial opportunities related to each sustainability matter on the longlist. The scores were assigned based on a range of variables and accompanied by rationales, with climate-related scenario analyses informing the process.

For the rating of the impacts, risks, and opportunities (IROs), we categorized the sustainability matters into environmental, social, governance, and Nedap-specific categories. Based on the results of questionnaires with our stakeholders and our own experience, we reevaluated the scores that were assigned to the matters last year (details can be found in [subsection 8.9.1 of the Sustainability notes](#)). The sustainability matters on the longlist were scored on negative impact, positive impact, risk, and opportunity, independent of the outcome of each individual scoring. The risks identified in the assessment are incorporated into the overall risk assessment process of Nedap and subsequently prioritized.

The materiality thresholds remained the same. For negative impacts, positive impacts, and financial risks and opportunities, the median score for both severity and likelihood is selected. However, because financial opportunities on average received higher scores for magnitude, a higher materiality threshold is applied to financial opportunities by selecting a higher magnitude score, while maintaining the same likelihood score used for the other sustainability matters. Please refer to the subsection Nedap Risk Management Framework of [section 3.2 Risk management & internal controls](#), which we incorporate by reference, for information on how sustainability risks and control systems are embedded in our strategy and business model.

8.3.2 Material impacts, risks, and opportunities

Multiple stakeholders were approached to validate and discuss the results. Our CFO shared the results in bilateral meetings with investors and shareholders and at the annual general meeting. Within the business units, the results were discussed with various (key) accounts, and we sent out a questionnaire to our suppliers and vendors. The formats of these discussions varied from email conversations and one-on-one meetings to presentations held at partner or customer days. Overall, these conversations confirmed that we are focusing on the right sustainability matters and that we are not omitting any relevant topics.

As explained in the [Changes in preparation or presentation of sustainability information \(part of subsection 8.1.2\)](#), we consider the subtopic Resource Outflows under ESRS E5 no longer material. The table below shows the reevaluated results of the DMA, including the material sustainability matters by category and their relevant position in the value chain. It indicates that most topics are material from multiple perspectives and represent various positions in the value chain.

ESG	Material topic	Boundary	Description	Impact / financial materiality	Timeline
E	E1 - Climate change mitigation and energy	Upstream / own operations / downstream	We are taking action to reduce GHG emissions within our operations and the supply chain, such as maximizing our use of renewable energy and working with our business partners and end-consumers to reduce energy consumption. In doing so, we mitigate the risk that Nedap loses its relevance to stakeholders while pursuing opportunities to help combat climate change.	NegImp / Risk / Opp	S / M / L
S	S1 - Diversity	Own operations	Failing to foster a diverse, equitable and inclusive working environment negatively impacts our workforce and poses a risk of losing well-qualified workers or not being able to attract new people due to reputational damage.	NegImp / Risk	S / M
	S1 - Training and skill development	Own operations	Keeping up the knowledge of our workforce is a must. Failing to do so could lead to losing our competitive advantage.	Risk	S / M
	S4 - Privacy and data security (information-related impacts for consumers and/or end-users)	Own operations / downstream	We consistently process sensitive data. We therefore need to maintain a high level of information security to prevent negative impacts for end-users. Our risk awareness and high standards positively impact end-users. Failing to comply with legal and regulatory requirements could result in regulatory fines or reputational damage.	NegImp / Risk	S / M / L
G	G1 - Corporate culture and transparency	Own operations	Creating and maintaining our corporate culture of transparency, open communication and trust will positively impact people across the value chain. Negative impacts result from a lack of transparency or the perception thereof. There is also a risk of increasing legislation conflicting with our open culture, limiting people in how they work and potentially leading to employee turnover. Additionally, insufficient transparency, particularly in areas such as sustainability, may result in stakeholder disengagement in the coming years.	NegImp / PosImp / Risk	S / M
	G1 - Management of relationships with suppliers	Upstream	Maintaining good relationships with parties in our supply chain enhances our ability to achieve our sustainability targets. Insufficient monitoring and verification of supplier compliance with legislation and alignment with our norms and values could lead to supply chain disruptions, significantly impacting stakeholders. Non-compliance with environmental or social legislation or engaging with unreliable suppliers may exacerbate these impacts, particularly for single-source components or products, where alternatives are limited.	NegImp	S / M

We elaborate on these material IROs in the respective topical sections. In these sections, we disclose how material negative and positive impacts affect, or are likely to affect, people or the environment. Additionally, we disclose how these impacts are connected to our strategy or business model and specifically how they originate from our activities.

We have determined that our current strategy and business model facilitate the effective management of our IROs and that no amendments are required at this stage. Currently, we do not observe financial effects related to our IROs, nor a significant risk of a material adjustment next year. We also do not anticipate significant short-, medium-, or long-term impacts on our financial position, financial performance, or cash flow, other than the OpEx and CapEx required to remediate the identified IROs. Where this is the case, this is disclosed in the topical sections of this sustainability statement.

During this reporting period, we conducted a resilience analysis to evaluate the implications of climate change for Nedap's business strategy and model, and to assess Nedap's capacity to adapt to transition risks over the short, medium, and long term. This resilience analysis complements our existing practices. We specifically focused on our alignment with and preparedness for a low GHG emissions scenario consistent with limiting global warming to below 2°C. This scenario involves significant actions to curb GHG emissions. We chose this scenario because of our long-standing commitment to achieving net-zero Scope 1 and 2 GHG emissions, which is aligned with the Paris Agreement. In our analysis, we focused on the regions in which we operate and where our customers are predominantly located. The Nedap Campus in Groenlo, the Netherlands, represents the biggest impact.

We have identified the following main risks of not adhering to our existing GHG emissions reduction commitments:

- Reputation risk: There is potential for reputational damage if Nedap's practices do not align with the sustainability goals we communicate.
- Value chain influence: Our ability to mitigate climate risks diminishes as we move further up and down the value chain due to the collaboration required with suppliers, customers, and other stakeholders to drive progress.

Nedap already has measures in place to mitigate risks and has identified additional actions to be implemented. Nedap is committed to contributing to the transition toward a low-carbon, climate-resilient economy. By fostering behavioral change and investing in innovative solutions, such as renewable energy initiatives, we aim to drive sustainable growth both locally and globally. This commitment aligns with our mission to create value for our organization, stakeholders, and society through responsible business practices.

Nedap believes it has a strong strategy and business model, which are resilient enough to address the identified impacts and risks, and seize opportunities over the timelines mentioned.

8.3.3 List of disclosure requirements

We have listed the ESRS disclosure requirements covered in this sustainability statement in subsection 8.9.2 References in [section 8.9 Sustainability notes](#). These disclosure requirements cover all IROs as determined through the DMA. We use an entity-specific metric when disclosing information about the IROs related to Privacy and Data Security.

8.4 Sustainability governance

8.4.1 The role of the administrative, management, and supervisory bodies

General

The Board of Directors and Supervisory Board are the highest decision-making bodies within the Nedap organization. The Supervisory Board has two committees, the Remuneration Committee and the Audit & Risk Committee. The Board of Directors and the Supervisory Board are responsible for setting out the guiding principles for how we do business, as outlined primarily in our code of conduct. They have the expertise on business conduct matters to effectively fulfill their responsibilities.

Board of Directors

Composition and diversity

The Board of Directors consists of three members, the CEO (Mr. R. M. Wegman), CCO (Mr. R. Schuurman), and CFO (Ms. H. P. J. M. Jans). All three are executive members. There is no representation of employees nor other workers within the Board of Directors. This is also not a common practice in the Netherlands. Information about the members of the Board of Directors is included in subsection Board of Directors in [section 3.3 Corporate Governance](#).

The Board of Directors' gender diversity was as follows in 2025: 33.33% female and 66.67% male, a one-to-two female-to-male ratio. Nedap does not formally report on any other aspects of diversity. The Nedap Diversity, Equity, and Inclusion (DEI) policy applies, which includes a gender diversity target for the Board of Directors of at least one-third male and one-third female representation.

Each member of the Board of Directors offers a diverse range of experience and expertise in international business, consistent with Nedap's global presence and activities in various markets. The CEO and CCO previously led business units at Nedap, including in interim roles. Some board members have also previously held positions on governance bodies of Nedap subsidiaries. Additionally, board members regularly visit subsidiary companies and stay in frequent contact through other channels. The managing directors of the key markets regularly inform the Board of Directors on relevant business matters, including material IROs. Consequently, the Board of Directors continuously enhances its understanding of Nedap's markets, products, and global offices.

Roles and responsibilities

The Board of Directors as a whole is responsible for overseeing the identified sustainability IROs. This is described in the previous sections about our strategy and business model and material sustainability matters. The Board of Directors plays a critical role in overseeing governance processes, controls, and procedures to manage and evaluate IROs. The CFO's role is to ensure compliance with ESRS requirements, oversee sustainability reporting, and manage associated risks and opportunities. In overseeing various internal decisions and activities, the Board of Directors gains continuous insight into progress toward IRO-related targets. Examples include employee questionnaires, energy-related upgrades to buildings, and the renewal of vehicle lease contracts. Nedap plans to establish a systematic approach for monitoring progress by administrative, management, and supervisory bodies.

The terms of reference of the Board of Directors describe its responsibility for the continuity of Nedap and its associated companies. As part of this mandate, the Board of Directors focuses on long-term value creation. Its responsibilities include developing and implementing the strategy consistent with Nedap's objectives and risk profile, driving results, and addressing the relevant sustainability aspects of doing business.

Risk management is an essential part of Nedap's business strategy. For more information, including dedicated controls and procedures for the management of IROs, please see [section 3.2 Risk management & internal controls](#).

The Board of Directors is accountable to the Supervisory Board, including its Audit & Risk Committee and the annual general meeting. It is the Board of Directors' responsibility to ensure that the company's sustainability efforts align with its overall strategic goals and targets. However, we do not apply dedicated controls and procedures to the management of IROs. The Board of Directors was involved in setting the targets included in this sustainability statement. In addition, the Board of Directors regularly reviews the progress and effectiveness of processes that are delegated to various parts of the organization, making adjustments as needed. This ensures that sustainability goals are met without compromising the company's business performance and profitability.

Expertise and skills related to sustainability matters

The Board of Directors has hired and appointed a team of employees dedicated to sustainability, consisting of full-time experts and subject matter experts who are involved in sustainability on a part-time basis. Each member of the sustainability team focuses on an individual IRO and is considered an expert on that topic. We provide additional information on the available expertise related to our IROs in the topical sections of this sustainability statement. The Board of Directors has direct access to this team of sustainability experts. The sustainability team reports directly to the Board of Directors and to the CFO specifically. In addition, the Board of Directors has access to teams with expertise on sub-topics. Finally, the board members have, and continue to develop, their own expertise and experience related to various sustainability topics. Each year, the Board of Directors evaluates their skills and expertise on sustainability matters, and any educational and training needs necessary for overseeing material IROs are assessed, considered, and followed up on.

Supervisory Board

Composition and diversity

The Supervisory Board consists of five members. As Nedap has a two-tier (dual) board structure, all are non-executive members. Membership of the Nedap Supervisory Board conforms to the profile described. The Supervisory Board is composed entirely of independent members (100%), ensuring full independence both from Nedap and from one another. Please see [section 4.1 Report of the Supervisory Board](#) for more information about the profile and details of the Supervisory Board.

The Supervisory Board does not include representation from employees or other workers. One-third of the Supervisory Board (at Nedap, this is currently the president of the Supervisory Board) is subject to an enhanced right of recommendation by the works council. All members have a background in one or more of the sectors, products, or geographical regions in which Nedap is active.

The Supervisory Board consists of five members:

Mr. P. A. M. van Bommel (chair)

Ms. M. Pijnenborg (vice chair)

Ms. K. T. V. Bergstein

Mr. S. C. Santema

Ms. M. A. Scheltema

The Supervisory Board's gender diversity was as follows in 2025: 60% female and 40% male, a three-to-two female-to-male ratio. Nedap does not formally report on any other aspects of diversity. The profile of the Supervisory Board and the Nedap DEI policy apply.

The Supervisory Board has established two committees, the Audit & Risk Committee and the Remuneration Committee, to keep the execution of tasks, decision-making, and meetings of the Supervisory Board efficient and effective, with the right focus. For details, please see the subsection below.

Role and responsibilities

The Supervisory Board supervises, evaluates progress and performance, maintains a healthy and transparent system of checks and balances, and assists the Board of Directors with advice where necessary. The Supervisory Board also assesses the effectiveness of internal risk management and control systems and the integrity and quality of the financial reporting. Reference is made to the terms of reference of the Supervisory Board in [section 4.1 Report of the Supervisory Board](#). The Supervisory Board oversees the strategy of the Board of Directors, including the assessment of IROs. The strategy, including the risk table (which can be found in [section 3.2 Risk management & internal controls](#)), is discussed regularly in the Supervisory Board meetings, following an annual meeting schedule with the Board of Directors and relevant business unit leaders. The Supervisory Board was also closely involved in the DMA process of Nedap. Sustainability is a recurring agenda item at the Supervisory Board's quarterly meetings, where members are updated on target setting and progress on stated targets.

Expertise and skills related to sustainability matters

Each member of the Supervisory Board brings relevant knowledge, expertise, and interests with regard to sustainability, derived from their diverse backgrounds. Together, they have the expertise and skills required to effectively oversee sustainability matters. Information about the skills of the Supervisory Board is disclosed in the subsection Supervisory Board composition and skills matrix of [section 4.1 Report of the Supervisory Board](#), which we incorporate by reference. Each year, any educational and training needs necessary for overseeing material IROs are assessed and followed up on.

Audit & Risk Committee

Composition and diversity

The Audit & Risk Committee consists of three members:

Ms. M. A. Scheltema (chair)

Ms. K. T. V. Bergstein

Mr. S. C. Santema

66.67% female and 33.33% male, all non-executive members.

Role and responsibilities

The Audit & Risk Committee advises the Supervisory Board regarding its duties as described in its terms of reference and helps facilitate the Supervisory Board's decision-making process. The Supervisory Board as a whole remains responsible for the performance of its duties. The Audit & Risk Committee shall in any event focus on the supervision of the Board of Directors with regard to: a) the relationship with the internal and external auditor and, if applicable, other external parties involved in the audit of sustainability information, including compliance with their recommendations and follow-up on comments; b) Nedap's financing; c) Nedap's application of information and communication technology, including cybersecurity risks; and d) Nedap's tax policy.

The Audit & Risk Committee monitors, among other things, the effectiveness of Nedap's internal control systems, internal audit system, and risk management system (see terms of reference Audit & Risk Committee). These are recurring items on the committee's agenda.

With respect to sustainability matters, the Audit & Risk Committee focuses on monitoring the integrity and quality of the company's financial and sustainability reporting, and the financial and sustainability reporting process. Additionally, the committee prepares proposals to ensure the integrity of the process.

Remuneration Committee

Composition and diversity

The Remuneration Committee consists of two members:

Ms. M. Pijnenborg (chair)

Mr. P. A. M. van Bommel

50.00% male, 50.00% female, all non-executive members.

Role and responsibilities

The role and responsibilities of the Remuneration Committee are described in its terms of reference.

The Remuneration Committee advises the Supervisory Board regarding its duties described in the terms of reference and helps facilitate the decision-making of the Supervisory Board in this respect. The Supervisory Board as a whole remains responsible for the performance of its duties. The duties of the Remuneration Committee include the selection and appointment of members of the Board of Directors and Supervisory Board.

The Remuneration Committee's duties regarding remuneration include making a clear and understandable proposal to the Supervisory Board regarding the remuneration policy for the Board of Directors, making a proposal to the Supervisory Board regarding the remuneration of the individual members of the Board of Directors, and preparing the remuneration report. The Remuneration Committee has the same duty with respect to proposals regarding the Supervisory Board's remuneration toward the annual general meeting.

8.4.2 Sustainability information and governance within leadership

The sustainability team reports to the Board of Directors, specifically the CFO. The CFO reports the status of the sustainability team's activities to the Board of Directors. Expertise teams, such as the finance, legal, and compliance teams, also report to the Board of Directors. The Board of Directors reports to or informs the Supervisory Board and requests approval where applicable.

The Supervisory Board delegates certain topics to its committees. These committees prepare reports and help facilitate the Supervisory Board's decision-making process. The Supervisory Board as a whole remains responsible.

The IROs, sustainability due diligence, and the results and effectiveness of relevant policies and their respective actions, targets, and metrics were discussed at least once during the reporting year and were subsequently acted upon.

The business unit and solution leaders are responsible for their strategic plans, which include sustainability targets. They report to the Board of Directors. The business unit leaders discuss their strategic plans with the Supervisory Board annually. This ensures that our management and supervisory bodies consider the IROs when making decisions about the strategy of Nedap.

The above-mentioned expertise teams have procedures, dedicated controls, and dashboards in place to monitor, among other things, progress on set targets. The internal auditor also closely monitors relevant processes and progress. Reference is made to [section 3.2 Risk management & internal controls](#) of the annual report, which describes the internal control and risk management systems.

8.4.3 Integration of sustainability-related performance in incentive schemes

The subsection Remuneration and employment and management terms of [section 3.3 Corporate Governance](#) outlines the role of sustainability goals in the performance evaluation criteria that influence remuneration for the Board of Directors. The remuneration of the Supervisory Board members is fixed, and no sustainability-related incentive scheme applies. The details of the remuneration policy, which we incorporate by reference, of the Board of Directors is disclosed in subsection Remuneration summary of [section 4.2 2025 Remuneration report](#) and the remuneration policy of the Supervisory Board in subsection Supervisory Board member remuneration of [section 4.2 2025 Remuneration report](#).

Key characteristics of the incentive schemes of the Board of Directors

The remuneration policy of the Board of Directors focuses on the company's continuity and sustainable long-term value creation, aligned with Nedap's vision and strategy. Their remuneration consists of a fixed and variable component. In 2025, the remuneration policy was renewed, adjusting the mix of fixed and variable compensation through the introduction of a performance-based Long-Term Incentive (LTI) plan. This LTI plan ties executive rewards to multi-year performance, directly supporting Nedap's objectives of sustainable growth and long-term value creation.

With the introduction of the LTI plan, the Short-Term Incentive (STI) has been adjusted to reduce the at-target payout to 50% of fixed income and to discontinue the previous share matching scheme under the STI. Both the STI and LTI performance criteria are aligned with Nedap's strategic goals, including operational growth, and ESG priorities, ensuring a clear focus on the company's long-term interests and sustainability. These changes ensure the overall remuneration structure remains balanced and aligned with market standards.

Additionally, new share ownership guidelines have been implemented, requiring the CEO to hold shares equal to 150% and other directors 100% of their gross fixed income, strengthening alignment with shareholder interests. The performance-related variable remuneration consists of an STI and an LTI component.

Assessing the performance of the Board of Directors

The short-term variable remuneration, STI, is structured to reward both financial and non-financial performance. Half the STI depends on financial performance criteria, and the other half depends on non-financial criteria, the latter focusing on ESG goals. At the beginning of each year, the Supervisory Board selects at least three financial criteria from a list of seven, each with equal weight.

The Supervisory Board determines the performance incentive zones – threshold, target, and maximum levels – for each financial criterion in advance. If all targets (at target) are achieved, 50% of the fixed annual income is awarded. If performance exceeds target, a maximum of 75% can be awarded. Annually, the Supervisory Board selects at least two non-financial criteria, each of equal weight, that may include: Sustainability, Employee engagement and development, Innovation and growth, Customer focus, Leadership and organizational development, and Strategic business transformation. The award of the STI is determined according to the additive method, meaning payouts are calculated per criterion and then aggregated to determine the total percentage of the fixed annual income.

The LTI plan consists of performance shares only, which are conditionally granted each year. The size of the annual LTI award is defined as a percentage of the fixed gross annual base salary and used as the reference to determine the number of conditional shares at the grant date. For the CEO and other directors, this value is set at 50% of the fixed annual income (on-target value), with a maximum of 75% (i.e., 150% of the on-target value). The number of shares at the grant date is calculated based on the on-target value and the average share price over a period of five trading days immediately preceding the grant date. The grant date is the first day after the date of the annual general meeting for the respective performance year. Vesting of the granted shares is conditional on the achievement of LTI performance criteria, which are measured over a period of three years. Shares vest at the end of the three-year performance period, followed by a two-year holding period. The holding period does not apply for shares that are sold at the vesting date to cover tax and social contributions obligations in relation to the vested shares. The Supervisory Board annually reviews and adjusts the LTI performance criteria to align with Nedap's evolving strategy and operational focus.

The LTI performance criteria consist of sales growth (40%), earnings per share (EPS) (35%), and ESG goals (25%).

For each LTI performance criterion, vesting is determined separately based on the following structure:

- Below threshold: 0% vesting
- Threshold: 50% vesting
- Target: 100% vesting
- Maximum: 150% vesting

The Supervisory Board's guideline for determining the remuneration amount is to ensure a moderate pay ratio internally and to keep it at or below the median remuneration level of the external peer group.

The variable annual income award is determined using the additive method, where each criterion is assessed individually and the awards are added up, resulting in a total percentage of the fixed annual income.

Governance process for determining, approving, and updating the remuneration policy

Remuneration of the Board of Directors

The remuneration policy for the Board of Directors is determined by the Supervisory Board. The Remuneration Committee submits a proposal, and the works council and previous year's annual general meeting produce a recommendation. The Supervisory Board takes the proposal and advice into consideration. The Supervisory Board submits the policy to the annual general meeting for adoption once every four years, accompanied by a positive recommendation from the works council. For the policy to be adopted by the annual general meeting, the legal requirement that at least 75% of the votes cast are in favor of the policy, applies.

Remuneration of the Supervisory Board

The Supervisory Board submits a proposal, prepared by the Remuneration Committee, for its own remuneration policy to the annual general meeting for adoption. For the policy to be adopted by the annual general meeting, the legal requirement that at least 75% of the votes cast are in favor of the policy, applies.

The remuneration of the Supervisory Board is consistent with the best practices of the [Dutch Corporate Governance Code 2025](#).

8.4.4 Statement on due diligence

Nedap performs due diligence on material transactions, in which sustainability plays a role. We audit our major suppliers periodically, scoring our suppliers on various topics, including their sustainability measures. When selecting new suppliers, such as new data centers for application hosting, we take environmental and social aspects into consideration.

Nedap's commitment to responsible business conduct aligns with the United Nations Global Compact Principles. We recognize our role in identifying and addressing both potential and actual impacts across our value chain, therefore we emphasize a proactive approach to our environmental and human rights due diligence efforts.

Our due diligence process involves assessing the effects of our business activities on people and the environment, acting on the findings of the assessment, tracking progress, and openly communicating our actions and their impacts.

We will refine our human rights policy and due diligence approach to suit Nedap's unique context in the Netherlands. Our approach to environmental due diligence and to minimizing negative impacts is focused on prevention. We extend this ethos to our customers as well, with the goal of empowering them to consider sustainability in decision-making. More information on our due diligence process and sustainability efforts in 2025 can be found in the Environmental and Governance sections of this sustainability statement.

Below, we provide an overview of the due diligence process, which has been disclosed throughout the report.

- Embedding due diligence in governance, strategy, and business model: Sections [1.2 Our strategy](#), [1.3 Our people](#), and [1.4 Sustainability](#).
- Engaging with affected stakeholders in all key steps of due diligence: [Section 1.4 Sustainability](#), Nedap's engagement with stakeholders.
- Identifying and assessing adverse impacts: Assessing the impacts, risks, and opportunities in subsection 8.3.1 of [section 8.3 Material sustainability matters](#).
- Taking actions to address those adverse impacts: Subsection 8.3.2 Material impacts, risks, and opportunities in [section 8.3 Material sustainability matters](#).
- Tracking the effectiveness of these efforts and communicating: Sections [2.2 Progress on our strategy](#), [2.3 Progress on our people](#), and [2.4 Progress on our sustainable impact](#).

For more information on the elements of our due diligence process, please refer to the respective topical sections of this sustainability statement.

We recognize that our due diligence process is continuous and may prompt adjustments to our strategy, business model, or both. As this process shapes our evaluation of material IROs related to sustainability matters, it may influence future DMA outcomes. Additionally, the adoption of future sector-specific standards could impact the DMA's future results. Consequently, the sustainability statement may not encompass every IRO or Nedap-specific disclosure that an individual stakeholder might deem important for their own assessment.

8.4.5 Risk management and internal controls over sustainability reporting

Our approach to risk management is described in the subsection Nedap Risk Management Framework of [section 3.2 Risk management & internal controls](#), which is incorporated by reference. The Group Controlling department also has a leading role in the sustainability reporting process, which includes verifying the data used in sustainability reporting and ensuring that data processing and administration are performed correctly. The department also ensures the correct, complete, and timely delivery of these reports and oversees other departments that deliver data, with a focus on accuracy and reliability.

8.5 Climate change

At Nedap, we acknowledge that we need to act to prevent further global warming. As an organization with a long-term perspective, we consider the impact of our business activities on future generations. As such, we want to contribute to a livable planet for generations to come. In addition, we want our solutions to contribute to the long-term success of our customers and their markets. We consider it our responsibility to help customers make their business models more responsible. Our commitment to combatting climate change is reflected in our long-standing commitment to achieving net-zero scope 1 and 2 GHG emissions, as well as our transition plan for scope 3 GHG emissions. We are taking action to reduce GHG emissions within our operations and the supply chain, such as maximizing our use of renewable energy and working with our business partners and end-consumers to reduce energy consumption. We acknowledge challenges, such as electrical grid congestion in the Netherlands, while planning actions to address them.

As part of the DMA, we also assessed the impact of climate change on our business and the value chain (upstream and downstream). We determined that our assets are not significantly at risk from the physical impacts of climate change. As stated in subsection 8.3.2 Material impacts, risks, and opportunities in [section 8.3 Material sustainability matters](#), we did identify transition risks related to climate change. Specifically, we identified a reputational risk, where Nedap loses its relevance to stakeholders, and a value chain influence risk, where diminished influence in our value chain threatens the achievability of our sustainability ambitions. We also identified opportunities to help combat climate change. Building resilience to climate change therefore involves effectively managing these transitional risks.

As part of our resilience analysis, we also assessed whether our existing net-zero scope 1 and 2 targets and actions are sufficient for building resilience, concluding that they are. Nedap will therefore continue to focus on climate mitigation actions.

8.5.1 Transition plan for climate change mitigation

In November 2025, Nedap finished validating its near-term science-based GHG emissions reductions targets with the Science Based Targets initiative (SBTi). The validation process went smoothly, as the set targets, the road to achieving them, and the calculation of GHG emissions were all clear for the SBTi organization. We made two changes during the course of this process. First, our scope 3 target is now based on both category 1 (purchased goods) and category 11 (use phase GHG emissions). This ensures compliance with the requirement that the target accounts for a minimum of 67% of total scope 3 GHG emissions, both in the base year of 2020 and our recent reporting years.

Second, the validation process with SBTi brought to light that to follow the GHG Protocol's Scope 3 Calculation Guidance, we had to reclassify external warehousing from scope 3 category 1 (purchased goods and services) to scope 3 category 4 (upstream transportation and distribution). We also had to reclassify transportation-related GHG emissions, assigning transportation paid for by Nedap to scope 3 category 4 (upstream transportation and distribution) and transportation paid for by others to scope 3 category 9 (downstream transportation and distribution). This did not lead to a change in total scope 3 GHG emissions.

At present, we have not identified any material locked-in GHG emissions from our key assets (buildings, vehicles, and machinery) that would hinder our progress toward the stated targets, nor do we expect to in the future. There are locked-in GHG emissions from the products we sell, but these GHG emissions do not jeopardize our reduction targets. That is because the majority of our GHG emissions occur during the use phase of our products.

Our transition plan to reduce GHG emissions is aligned with Nedap's overarching strategic objectives, as outlined in our sustainability policy, and is explicitly integrated into the budgeting process for our business units. The transition plan has been formally approved by both the Board of Directors and the Supervisory Board.

We are not excluded from the EU Paris-aligned Benchmark.

Transition plan for scope 1 and 2

Since 2020, Nedap has been committed to reducing the environmental impact of its own operations, mitigating climate change, and becoming as self-sufficient as possible. Our sustainability strategy aligns with our corporate strategy and, among other things, outlines our key decarbonization levers. These include improving the environmental sustainability of our buildings, installing solar panels, purchasing exclusively renewable energy, and phasing out fossil-fuel-powered vehicles.

Our GHG emissions reduction targets are validated by the SBTi and based on the Paris Climate Agreement goal to limit global warming to 1.5°C. Our targets are detailed in subsection 8.5.4 Targets related to climate change mitigation. We describe the key decarbonization levers of our transition plan and operational expenditures in detail in subsection 8.5.3 Actions and resources in relation to climate change policies, and subsection 8.5.4 Targets related to climate change mitigation. These sections include the concrete actions and resources committed to achieving our goals.

Transition plan for scope 3

For scope 3 GHG emissions, our primary focus is on reducing product GHG emissions during the use phase by our (end) customers (scope 3 category 11 of the GHG Protocol) and production phase (corresponding GHG emissions in scope 3 category 1), which account for the majority of our scope 3 GHG emissions. We have set a validated, ambitious target to reduce the intensity-based GHG emissions (expressed in metric tons of CO₂ equivalent (tCO₂e) per €1 million of added value) by 7% per year, starting from 2020. The added value is the added value as disclosed in the consolidated profit and loss statement.

We will translate this Nedap-wide target into actions by integrating energy-saving features, such as sleep mode to reduce power consumption, and utilizing more energy-efficient components to optimize the duty cycle of hardware products. At the portfolio level, we will evaluate whether we have to phase out less efficient products to achieve our Nedap-wide target. This is part of the annual budgeting process with the business units, involving the allocation of resources (OpEx and CapEx) to this transition plan.

Progress on implementation

We report on our progress in [section 2.4 Progress on our sustainable impact](#). In addition, we provide data on Nedap's actual energy use and GHG emissions in subsection 8.5.5 Energy mix and consumption and subsection 8.5.6 Gross scope 1, 2, and 3, and total GHG emissions.

8.5.2 Policies related to climate change mitigation

At Nedap, we are committed to minimizing GHG emissions from our operations and in our value chain. In 2025, we introduced Tomorrow in Motion, our Nedap sustainability story and policy. It encompasses three principles: Technology for a changing world, Sustainable by default, and Sustainable operations. Together, they articulate how we support our customers in becoming more sustainable and how we reduce the environmental footprint of our own products and operations. The key elements of Tomorrow in Motion are incorporated by reference and elaborated upon in [section 1.4 Sustainability](#). In relation to this topical standard, Tomorrow in Motion addresses our approach to lowering scope 1, 2, and 3 GHG emissions. It is aligned with the material sustainability matters identified through our DMA. As such, it addresses the interests and needs of our stakeholders. The policy is yet to be published on our website.

Our transition plan aligns with our sustainability policy. The Board of Directors has determined the actions in our transition plan to achieve our GHG emissions targets and help mitigate climate change. To reduce our scope 1 and 2 GHG emissions, we focus on the following:

- *Improving our buildings*
We upgrade our buildings to enhance their sustainability, focusing on improved insulation and the installation of heat pumps and solar panels. Our goal is to achieve net-zero scope 1 and 2 GHG emissions by 2030.
- *Renewable energy*
Since 2014, we have used exclusively renewable electricity for our office in Groenlo. We are now concentrating our efforts on transitioning our leased buildings to renewable energy contracts, ensuring that all our facilities align with our commitment to achieving net-zero scope 1 and 2 GHG emissions by 2030. The data centers we use to host our SaaS solutions are all powered by renewable electricity.
- *Phasing out fossil fuel vehicles*
We are on track to phase out fossil fuel vehicles by 2030, as we plan to purchase exclusively electric vehicles from 2025 onwards.

To reduce our scope 3 GHG emissions, we focus on the following:

- *Reduction of use phase GHG emissions*
The use phase of our products at our (end) customers accounts for the majority of our scope 3 GHG emissions, therefore we are implementing measures to reduce the energy consumption of our products.
- *Reduction of production GHG emissions*
We focus on designing products with a lower impact on production phase GHG emissions.

We focus on continuous improvement and regularly review and refine our approach, ensuring we meet both external requirements and our own high standards.

8.5.3 Actions and resources in relation to climate change policies

Actions for our own operations

Our scope 1 GHG emissions result primarily from the consumption of natural gas and the use of fossil-fuel-based vehicles. Therefore, the decarbonization levers for our scope 1 GHG emissions include reducing the consumption of natural gas and transitioning to non-fossil-fuel-based vehicles. In 2025, we took the following actions at Nedap N.V. to implement our sustainability policy and mitigate climate change:

- *Electrification of our vehicles*
We fulfilled the terms of the signed contract in the Netherlands, where we exclusively lease electric cars. We also implemented this agreement at all our subsidiaries.
- *Building improvements*
We improved building insulation at our Nedap Campus, installed LED lights, added triple glazing, and renovated roofs.
- *Consider battery-based technologies*
We will install batteries to avoid drawing excessive energy from the grid and to address net congestion. This is necessary to continue our sustainable investments.

Scope 2 GHG emissions arise from the purchase of non-renewable energy. The following actions are planned to address GHG emissions in both scope 1 and 2:

- *Renewable energy contracts for new leases*
When an office lease contract for one of our subsidiaries expires, we will only enter into new contracts for buildings that source 100% renewable energy.
- *Maximizing use of solar panels*
We aim to install the maximum number of solar panels on the roofs of our facilities.
- *Installation of heat pumps*
While the addition of heat pumps was halted in 2025 due to reaching our maximum contracted energy consumption, we still want to move away from natural gas heating.

In 2025, we also finalized the long-term plan to make the Nedap Campus (buildings and terrain) more sustainable. Moreover, in all renovation projects, we will prioritize using sustainable, recycled, and biobased materials to lower the carbon footprint of construction activities.

For scope 1 actions, we have invested €0.55 million to upgrade building insulation and make additional improvements.

No significant additional financial resources were required for scope 2 actions, as our current leases already cover building costs. There may be a marginal increase in energy costs upon transitioning to renewable energy, however renewable energy prices are not expected to differ significantly from current prices.

The successful implementation of these actions has already resulted in a reduction in scope 1 and 2 GHG emissions of 136 tCO₂e since 2020 (of which 56 tCO₂e in 2025), and GHG emissions in both scopes are expected to decrease toward zero by 2030. Our actions will also result in increased energy efficiency across our operations. Details are included in subsection 8.5.4 Targets related to climate change mitigation. By eliminating the use of natural gas, electrifying our operations, and transitioning to electric vehicles, we will achieve zero GHG emissions for scope 1. Our transition to renewable energy sources for leased buildings will mitigate our scope 2 GHG emissions (market-based approach).

Future resources needed to achieve net-zero GHG emissions are primarily related to phasing out fossil-fuel-powered vehicles. At the same time, we have shifted from purchasing cars to leasing them. Consequently, there will be no material increase in CapEx or OpEx compared to fossil-fuel-powered vehicles.

We have various options for transitioning from natural gas to electricity in our operations, ranging from purchasing or leasing additional heat pumps to implementing additional infrastructural solutions to store heat for later use. Typically, these solutions involve a trade-off between CapEx and OpEx. An increase in CapEx leads to lower operational costs and vice versa. Infrastructural investments will increase the value of fixed assets on the balance sheet and result in higher depreciation expenses, whereas investments in heat pumps will require significantly lower CapEx but result in higher operating costs. We have collected and evaluated input on these various options and made the decision to install a battery system in 2026 to store excess energy produced. In January 2026, the local government issued Nedap a permit to install the system.

Actions for our products

Nedap is committed to reducing scope 3 GHG emissions, with a focus on reducing product GHG emissions during the production (scope 3 category 1) and use phase (scope 3 category 11) of our products. The business units may develop their own approach based on the nature of their operations. However, we recommend and guide the key markets in using the following decarbonization levers:

- *Sourcing less energy-consuming electronics*
This lever focuses on the upstream part of the value chain and involves close collaboration with suppliers and the procurement teams responsible for sourcing components. Key stakeholders include suppliers of electronics and the internal procurement and sustainability teams.
- *Introducing sleep modes and duty cycle interventions*
This lever impacts the downstream part of the value chain, affecting product use by customers. Key stakeholders include the research and development, product development and software engineering teams, as well as the end-users who interact with the products.
- *Portfolio management, phasing out high-GHG emissions products that do not provide proportional value*
This lever applies to the downstream part of the value chain and involves managing the products available to customers, phasing out high-GHG emissions products that do not provide proportional customer value. Key stakeholders include the portfolio management and product development teams, marketing, and customers who are affected by product changes.
- *Business strategy and portfolio shift*
Our business strategy leads to a shift toward recurring business models, primarily related to software solutions. With that, our portfolio is shifting toward a relatively higher share of solutions with lower or no use phase GHG emissions, while also adding more value derived from sustainable practices.

These decarbonization levers provide flexibility, allowing each business unit to tailor its strategy for the short-, medium-, and long-term horizon and determine its actions for achieving GHG reductions, while ensuring alignment with the company’s overall sustainability objectives.

These actions have led to intensity-based GHG emissions of 761 tCO₂e per €1 million added value in 2025, which is a reduction of 546 tCO₂e per €1 million added value compared to our base year 2020 (i.e., 42% reduction). We expect to achieve our target of 633 tCO₂e per €1 million added value by 2030.

We have not incurred, nor do we foresee, significant separately identifiable CapEx or OpEx for scope 3 actions as part of our efforts to meet our SBTi targets. The most important scope 3 actions relate to product improvements. At Nedap, this is a continuous process aimed at keeping products up to date from a technical, financial, and environmental perspective. The resources associated with the achievement of SBTi targets are primarily related to (re)designing products to improve their energy efficiency. Because product improvement is an ongoing process at Nedap, the resources allocated for energy efficiency represent only a minor portion of the total.

8.5.4 Targets related to climate change mitigation

Based on our SBTi-validated targets, Nedap commits to reducing absolute scope 1 and 2 GHG emissions by 95% by 2030 from a 2020 base year. Nedap also commits to reducing scope 3 GHG emissions from purchased goods and services and the use of sold products by 51.6% per €1 added value within the same timeframe.

Scope 1 and 2 targets

Our targets have been validated by the SBTi, ensuring they are based on the latest climate science and consistent with the goal of limiting global warming to 1.5°C. To achieve our scope 1 and 2 GHG emissions targets, we must reduce gross GHG emissions by 95%. These targets are aligned with the expectations of our stakeholders (employees, customers, and (local) government) to reduce GHG emissions in line with the Paris Agreement.

Our base year is 2020, with a baseline value of GHG emissions of 837 metric tons of CO₂e, including all GHG emissions from scope 1 and 2. The scope 2 GHG emissions and target are calculated using market-based GHG emission factors. We deliberately selected 2020 as our base year. Although 2020 was the first year of the COVID-19 pandemic, our 2020 values accurately reflect Nedap’s typical operations, GHG emissions, sources and activity levels, allowing for meaningful comparison of GHG emissions reductions over time. As such, we believe our base year is consistent with the recommendations and guidance from SBTi.

The breakdown of the scope 1 and 2 GHG emissions is as follows:

GHG emissions (in tCO ₂ e)	2020	2024	2025	2030 target
Scope 1	790	706	659	40
Scope 2 (market-based)	47	51	42	2

The scope 1 and 2 decarbonization levers detailed in subsection 8.5.3 Actions and resources in relation to climate change policies will help us to achieve net-zero GHG emissions for our operations. For our subsidiaries, we have introduced the policy of not purchasing fossil-fuel-powered vehicles as well. For our European locations, we anticipate a seamless transition to electric vehicles, given the extensive charging infrastructure available. However, we recognize that some international locations, such as our offices in the United States, may encounter challenges in the adoption of electric vehicles due to limited charging infrastructure. In these instances, where a complete transition to electric vehicles may not yet be feasible, any residual GHG emissions from fossil-fuel-powered vehicles will be monitored and compensated through certified GHG removal initiatives. This ensures that even in regions with infrastructure limitations, we remain committed to achieving our net-zero targets by addressing and mitigating all residual GHG emissions.

Scope 3 targets

Based on the guidance of the SBTi, we have set an ambitious, validated reduction target for our scope 3 GHG emissions. Because our business is growing, we have chosen to set an intensity-based target. The intensity-based target for scope 3 GHG emissions mandated by SBTi is a 7% annual compounded reduction of GHG emissions per €1 of added value, starting from the base year 2020 to our target year 2030. This means our target value in 2030 is 48.4% of the 2020 value, a reduction of 51.6%. This aligns with a target of well below 2°C. It is also consistent with the expectation of our stakeholders (employees, customers, and (local) government) to reduce GHG emissions in line with the Paris Agreement.

Addressing the largest GHG emissions sources is critical to making meaningful reductions. Consistent with SBTi guidelines, we have set a target that covers at least 67% of our total scope 3 GHG emissions. GHG emissions from the production of our products and from our purchased goods (scope 3 category 1), together with emissions from the use phase of our sold products (scope 3 category 11), account for over 67% of the total, therefore we have set a target for these two categories. The base year of 2020 accurately reflects Nedap’s typical operations, GHG emissions sources, and activity levels, allowing for meaningful comparison of GHG emissions reductions over time. There are no external factors that may lead to adaptations of the GHG emissions calculated for this category.

Scope 3 GHG emissions	2020	2024	2025	2030 target
Absolute scope 3 category 1 (in tCO ₂ e)	51,535	49,971	49,436	n/a
Absolute scope 3 category 11 (in tCO ₂ e)	108,964	122,860	106,402	n/a
Added value (€ x 1,000)	122,791	179,898	204,704	n/a
Intensity-based GHG emissions (tCO ₂ e per €1M added value)	1,307	961	761	633
- for scope 3 category 1	420	278	241	203
- for scope 3 category 11	887	683	520	429
In % of base year 2020	100%	74%	58%	48%

The breakdown of the categories within scope 3 for 2025, detailed in subsection Gross scope 1, 2, and 3, and total GHG emissions, demonstrates the absolute and relative contribution.

Per SBTi guidelines, we have set an intensity-based target for scope 3 category 1 and category 11 GHG emissions. Therefore, an absolute target is not applicable.

When combined, the scope 3 decarbonization levers outlined in this sustainability statement will enable us to reach the 2030 intensity-based target. This is taking into account the individual growth strategies we foresee for software and hardware.

8.5.5 Energy consumption and mix

The data collection process and calculation of energy consumption are fully aligned with the GHG Protocol. The primary source of the data is the invoices provided by electricity companies or the landlords from whom we rent our offices. We apply the same parameters as those used for our scope 1 and 2 GHG emissions. To categorize energy consumption into different categories, we utilize various methods. For purchased renewable and nuclear energy, we apply the market-based approach, accounting only for energy that is verifiable. This ensures a conservative and accurate determination of renewable energy consumption.

The energy consumption for the reporting year 2025 is as follows.

	2024 (MWh)	2025 (MWh)
Total energy consumption from fossil sources	3,095	3,124
Total energy consumption from nuclear sources	13	2
Total energy consumption from renewable sources	4,080	4,792
- Fuel consumption from renewable sources	-	-
- Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	3,973	4,627
- Consumption of self-generated renewable energy from sources other than fuel	107	165
Total	7,188	7,918

Our 2025 consumption data show a small increase in our reliance on fossil sources (both natural gas for heating our buildings, as well as fossil fuels) and an increase in energy consumption related to our use of heat pumps and electric cars.

8.5.6 Gross scope 1, 2, and 3, and total GHG emissions

This subsection focuses on reporting our total gross GHG emissions for scope 1, 2, and 3. Scope 1 covers direct GHG emissions from our own operations, such as fuel use for company-owned vehicles and natural gas for heating. Scope 2 includes indirect GHG emissions from purchased electricity, heat, and steam. Scope 3 encompasses GHG emissions from our entire value chain, including supplier activities, product use, and end-of-life disposal. We take a comprehensive approach to data collection and conducting life cycle analyses (LCAs) of our portfolio, aimed at ensuring transparency and accuracy in our GHG emissions reporting.

Nedap employs a centralized approach for calculating GHG emissions across scope 1, 2, and 3. All subsidiaries report their activity data using a standardized format to the group, where the GHG emissions are calculated on a consolidated basis. Under this approach, Nedap reports direct GHG emissions (scope 1) from any activities or facilities it manages and controls, including energy systems such as natural gas heating systems. Activities where Nedap does not directly manage the GHG emissions source, but consumes or purchases energy (e.g., electricity, steam, or heating), are classified as scope 2 GHG emissions.

For scope 1 and 2 GHG emissions from combustion, GHG emission factors (EFs) are applied using the tank-to-wheel (TTW) approach. We prioritize the use of market-based EFs or EFs published by the countries in which Nedap operates. If a country does not provide specific EFs, we obtain suitable factors from alternative sources. For scope 3, life cycle EFs are used, which include not only the combusting of the fuel, but also all other GHG emissions that occur during the fuel life cycle.

For the calculation of scope 3 category 11 GHG emissions, we have used estimations for lifespan, duty cycles and power consumption by using input from internal subject matter experts, product specification information, sales information in product databases, and business partner inquiries.

Nedap gross total GHG emissions for 2025

Nedap calculates and reports both its location-based and market-based scope 2 GHG emissions. In scope 2 reporting, the location-based method calculates GHG emissions based on the average GHG intensity of the local grid, while the market-based method reflects GHG emissions from the actual energy purchased, such as renewable energy contracts. Nedap's market-based GHG emissions are significantly lower than the location-based GHG emissions because we primarily use renewable electricity.

Targets are validated by SBTi and are expressed in tCO₂e per €1 million of added value.

GHG emissions (in tCO ₂ e)	Retrospective				Milestones and target year
	Base year 2020	2024	2025	Reduction 2025 vs 2024	Target year 2030
Scope 1 GHG emissions	790	706	659	-7%	-95%
Scope 2 GHG emissions (location-based)	1,134	1,117	1,058	-5%	n/a
Scope 2 GHG emissions (market-based)	47	51	42	-18%	-95%
Significant scope 3 GHG emissions					
1 Purchased goods and services	51,535	49,971	49,436	-1%	n/a
2 Capital goods	3,049	2,473	3,294	33%	n/a
3 Fuel- and energy-related activities	206	252	267	6%	n/a
4 Upstream transportation and distribution	1,519	825	962	17%	n/a
5 Waste generated in operations	2	1	1	0%	n/a
6 Business travel	633	887	847	-5%	n/a
7 Employee commuting	526	1,022	1,041	2%	n/a
9 Downstream transportation and distribution	612	295	367	24%	n/a
11 Use of sold products	108,964	122,860	106,402	-13%	n/a
12 End-of-life treatment of sold products	1,832	1,264	1,172	-7%	n/a
Total GHG emissions					
Total GHG emissions (location-based)	170,802	181,673	165,506	-9%	n/a
Total GHG emissions (market-based)	169,715	180,607	164,490	-9%	n/a

Our 2025 scope 1 GHG emissions show a further decline in our reliance on fossil sources (both natural gas for heating our buildings, as well as fossil fuels) and a similar decline in scope 2 GHG emissions related to our use of heat pumps and electric cars.

Scope 3 GHG emissions have declined. This is driven by lower scope 3 category 11 emissions, as a larger share of our hardware products sold have lower or no use-phase emissions compared with 2024.

GHG intensity based on net revenue

Based on our net revenue of €279.8 million (as disclosed in our financial statements), our location-based GHG emissions intensity is 0.591 tCO₂e per €1,000 revenue, and our market-based GHG emissions intensity is 0.588 tCO₂e per €1,000 revenue (in 2024: revenue €251.6 million, location-based 0.722 tCO₂e per €1,000 and market-based 0.718 tCO₂e per €1,000).

8.5.7 EU Taxonomy disclosures

Over the past years, the European Parliament and the European Commission have worked on regulations for non-financial reporting (EU regulation 2020/852, also known as the Taxonomy Regulation (the "Taxonomy")).

This regulation establishes a framework to facilitate sustainable investment. The Taxonomy is essentially a classification of economic activities based on their contribution to specific climate and environmental objectives. The aim of the Taxonomy is to enhance transparency and comparability. In line with the climate targets from the Paris Climate Agreement, the Taxonomy establishes the following environmental objectives:

- 1 Climate change mitigation.
- 2 Climate change adaptation.
- 3 The sustainable use and protection of water and marine resources.
- 4 The transition to a circular economy.
- 5 Pollution prevention and control.
- 6 The protection and restoration of biodiversity and ecosystems.

Similar to prior years, Nedap's activities were assessed against the Taxonomy's criteria. This included assessing whether the activities meet all relevant technical screening criteria and "Do No Significant Harm" (DNSH) requirements. The Taxonomy's scope was expanded in the financial year 2024, moving from eligibility assessments for the environmental objectives 3 through 6 in 2023 to include validation against the Taxonomy's scope. This development reflects the EU's ongoing commitment to broadening its sustainability framework, ensuring a more holistic approach to environmental governance.

Climate change objectives

An economic activity qualifies as substantially contributing to climate change mitigation if, in line with the long-term Paris Agreement temperature goal, it substantially contributes to the stabilization of concentrations of GHG in the atmosphere at a level where hazardous anthropogenic disruption of the climate system is prevented. This can be achieved by preventing or reducing GHG emissions, or by increasing GHG removal, including through process or product innovation. Making a building climate-neutral is an example of such an activity.

An economic activity qualifies as substantially contributing to climate change adaptation if it involves solutions that substantially reduce the (risk of) adverse effects related to the current climate and the expected future climate on that economic activity. Or if that activity directly facilitates other activities that contribute substantially toward achieving one or several of the objectives. Earthquake-proofing or flood-proofing a building is an example of such an activity.

Besides countering or addressing climate change, the activity must pose no significant harm to the other defined environmental objectives. Certain minimum safeguards must also be in place to guarantee compliance with the OECD guidelines for multinational enterprises and the UN's Guiding Principles on Business and Human Rights, including the principles and rights described in the eight fundamental conventions in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and in the International Bill of Rights.

Environmental objectives

The four environmental objectives collectively aim to establish sustainable ecosystems by integrating responsible water management, waste minimization, pollution reduction, and biodiversity conservation, ensuring a holistic approach to environmental sustainability and ecosystem resilience. Contribution to one or more environmental objectives must do no significant harm to any of the other environmental or climate change objectives.

Scope of the Taxonomy

The rationale behind the selection of activities currently identified in the EU Taxonomy is primarily based on their potential to contribute significantly to the EU's climate and environmental objectives, particularly in the context of the European Green Deal and the bloc's commitments to the Paris Agreement. These activities are identified for key sectors where substantial sustainable impact can be made. The focus is on sectors that either have high potential to reduce GHG emissions, are crucial for adaptation to climate change, or are vital for protecting water and marine resources, transitioning to a circular economy, preventing pollution, and preserving biodiversity and ecosystems.

The activities that the European Commission has identified mainly concern industries other than the sectors in which Nedap operates (i.e., industries with a greater GHG emission reduction and environmental contribution potential). This is the reason for Nedap's relatively low eligibility percentage compared to companies that fall within the defined sectors.

Relevance to Nedap in 2025

Climate change

Initially, the focus areas designated by the EU for reporting on environmentally sustainable economic activities were applicable primarily to sectors in which Nedap does not operate, such as forestry, construction, heavy industry, energy generation, water supply, waste processing, and transport. In 2023, eligible activities were added to various sectors, notably in the automotive and aviation industry. From 2024 onward, reporting Taxonomy alignment is mandatory for these activities. The information and communications sector have remained the most relevant Taxonomy domain for Nedap. This sector can substantially contribute to preventing climate change by developing data-driven solutions that are used primarily to provide data and analyses that enable reduction of GHG emissions. Hosted solutions in energy-efficient data centers can also contribute if the operations of a data center meet the defined energy-efficiency standards.

The following activity is considered the most relevant for Nedap from a Taxonomy point of view:

- 8.1 Data processing, hosting, and related activities.

While the regulation highlights specific manufacturing activities that can contribute to climate change mitigation, such as 3.5 Manufacture of energy-efficient equipment for buildings and 3.6 Manufacture of other low carbon technologies, Nedap's involvement in these areas is not in manufacturing itself. Instead, the company focuses on researching, designing, developing, marketing, and selling products within these categories. The actual production process of these products is entrusted to specialized Electronic Manufacturing Service companies, which makes Nedap not eligible under said manufacturing activities of the Taxonomy. This approach allows Nedap to concentrate on its core competencies while leveraging the expertise of our manufacturing partners.

Environment

Environmental objectives currently target activities relating to water leakage control, waste treatment, pharmaceutical products, nature conservation and restoration, and sustainable manufacturing (and related services). Only the last category, defined in detail in Annex II Transition to a circular economy of the Technical Screening Criteria, encompasses economic activities that Nedap carries out.

In the context of the Taxonomy, Nedap may potentially contribute to a circular economy by carrying out the following identified activities, of which only 1.2 is substantial from a Taxonomy point of view:

- 1.2 Manufacture of electrical and electronic equipment.
- 5.1 Repair, refurbishment, and remanufacturing.
- 5.5 Product-as-a-service and other circular use and result-oriented service models.

Revenue from activity 5.5 is realized through data centers (Climate Change Mitigation activity 8.1). To avoid double counting, this is not reported as a circular activity.

Revenue (€ x 1,000)

Climate change

Activity 8.1 is a climate change mitigation (CCM) economic activity, the three environmental activities contribute to a circular economy (CE). The Taxonomy classifies CCM 8.1 as a transition activity that contributes to climate change mitigation if it is performed through data centers ("The storage, manipulation, management, movement, control, display, switching, interchange, transmission, or processing of data through data centers, including edge computing (decentralized data processing)"). These data centers' GHG emissions must be aligned with best practices in the sector or industry.

The revenue that Nedap generates from software subscriptions (licenses) and services (€111,481 in 2025, note 14 of the consolidated financial statements) which is largely (€102,354) made up of economic activities performed through data centers, is an important activity for the company since most of its recurring revenue is generated through these data centers. The data centers that Nedap uses the most all meet the European code of conduct for energy efficiency in data centers, demonstrating a major part of the alignment criteria. Energy efficiency cannot be established for a small percentage of data center revenue (less than 10%) related to hosting by Amazon Web Services (AWS) and Microsoft Azure, as these providers' facilities are not always individually identifiable to Nedap. This makes it difficult to establish how well these services provided to Nedap adhere to environmental standards. Both AWS and Azure have, however, committed to transitioning to 100% renewable energy by 2025.

For the part (€102,354) of the activity that is eligible to be screened against the technical screening criteria defined in the Taxonomy, it was concluded that alignment could not be established for this activity due to the absence of auditable compliance with Global Warming Potential criteria of refrigerants used in the data centers' cooling systems. Reference is made to the paragraph Alignment of 2025 figures for further clarification.

The activity does not significantly harm climate change adaptation, sustainable use and protection of water and marine resources, pollution, biodiversity, and the transition to a circular economy.

This was assessed by validating all technical screening criteria against compliance with the DNSH criteria:

- No significant harm is done to climate change adaptation, which was the outcome of an assessment of climate-related hazards.
- The sustainable use and protection of water and marine resources was assessed against the criteria relevant to this objective, and confirmation was received from those centers that align with this criterion.
- Regarding the transition to a circular economy, no significant harm was established by validating the certification requirements as stated in Directive 2009/125/EC, the absence of restricted substances as per Directive 2011/65/EU, and the waste management plan that is in place which ensures maximal recycling at the end of life of electrical and electronic equipment.

Nedap has also established compliance with the minimum safeguards as required by the EU. Compliance involves establishing adequate human rights due diligence processes, implementing anti-corruption measures, ensuring tax governance and compliance, and promoting awareness of competition laws among employees. Details of the aforementioned can be found in [section 3.1 Business integrity](#), subsections Code of conduct, Anti-bribery and anti-corruption, Nedap compliance training, Human rights and other fundamental rights, and Taxation and in [section 3.2 Risk management & internal controls](#), subsections Tax control framework and Risk table. This adherence is in line with the criteria outlined for EU companies, ensuring we do not fall into non-compliance by violating labor laws, engaging in corrupt practices, mismanaging tax responsibilities, or breaching competition laws.

The remainder of the revenue (€168,332, as detailed in note 14 Products, systems, and installations in the consolidated financial statements) stems from activities that have not been classified by the European Parliament as directly contributing to climate mitigation or adaptation. Many manufactured products are considered eligible for climate objectives only if their primary aim is to reduce GHG emissions. While Nedap's range of energy-efficient products does support the reduction of GHG emissions in many customers' operations, this is not their primary intended purpose.

Nedap continuously conducts life cycle analyses for all of its hardware products, having further refined the assessment for its product groups in 2024 (see [section 1.4 Sustainability](#) and subsection Sustainable operations in [section 2.4 Progress on our sustainable impact](#)). The activities performed using Nedap products are intended to, among other things, reduce waste streams at retailers, boost food efficiency at agricultural companies, and prevent the use of chemicals in water purification. In Nedap's view, they contribute to facilitating its customers in transitioning to a more sustainable organization and society. Information on how our customers use these products, which would be needed to be able to establish a demonstrable contribution toward one or several of the EU-defined environmental objectives, is currently not reliably available. Nedap's contribution toward customers' sustainability objectives is, therefore, captured in qualitative terms. Revenue from products, systems, and installations has, therefore, not been designated as a Taxonomy-eligible activity contributing to climate change mitigation or adaptation.

Environment

Upon evaluating the three activities identified for potential contribution by Nedap, it was concluded that activity 1.2 Manufacture of Electrical and Electronic Equipment, has the most relevance to Nedap under environmental objectives as repair activities (activity 5.1) are of limited size and product-as-a-service offerings (activity 5.5) are included in climate change mitigation activities due to the fact that these activities are predominantly related to software-based solutions. The hardware component plays a minimal role within these activities.

Activity 1.2 Manufacture of Electrical and Electronic Equipment encompasses the manufacturing of Nedap's products that have not been outsourced to third parties. These products are not related to low-carbon technologies or energy-efficient equipment and therefore do not qualify under the criteria for climate change mitigation. The manufacturing of said products is, however, an activity that could potentially contribute to circular objectives and is thus included here.

Although activity 5.1 Repair, refurbishment, and remanufacturing is insignificant in terms of revenue generation, it does contribute to circular objectives. Nedap's products are built to last, with a robust design and extensive durability testing prior to delivery. Only very limited number of products return to Nedap for repair. If they do, Nedap's excellent warranty policies entitle customers in most cases to a repair, refurbishment, or replacement.

Nedap's activities covered by aforesaid Taxonomy eligible activities do not meet the alignment criteria, as defined by the EU. In the absence of an Ecolabel, the Taxonomy requires, among others, the availability of independent certified repairers and recyclability that relies on a specific standard (EN 45555:2019). This standard currently adversely impacts the longevity of the intended use of Nedap's products. Nedap will be assessing the actions necessary for potential future compliance with these requirements as part of the company's sustainability ambitions and targets.

Capital and operating expenditure

All the listed Taxonomy categories relevant to Nedap involved capital expenditure in 2025. This expenditure, along with the associated operating expenditure, is presented in the tables at the end of this section.

Capital expenditure

Eligible investments in fixed assets are related to hosting activities, the electrification of Nedap's fleet of vehicles, the reduction of fossil energy consumption in our buildings, and the manufacturing of electronic equipment. The eligible CapEx for manufacturing activities classified under CE 1.2 includes investments in buildings, machines, and measuring and testing equipment at our own manufacturing facilities. Aligned activities are for the purchase of electrical car charging facilities at employees' homes. Nedap offers a home charging point for every employee with a PHEV or fully electric company car.

Contrasting with the significant renovations conducted in earlier years, our ongoing efforts to decarbonize the buildings at our Groenlo Campus have encountered an unanticipated setback in recent years. The inability of regional and national grid operators to upgrade our power connection creates additional challenges in achieving our net-zero ambition. Increased green electricity is vital for our continued investments in vehicle charging facilities and the scaling down of fossil

energy consumption at our facilities. Pending an expanded electricity capacity, the planned initiatives to reduce our scope 1 GHG emissions had to be partially and temporarily deferred. To mitigate these constraints and still realize the intended progress in reducing our GHG emissions, Nedap aims to purchase on-site battery systems in 2026, with deployment subject to the granting of the required permits.

Ineligible investments include investments in the modernization of facilities and workplaces at our sites, most right-of-use leases, molds and dies, and capitalized development costs for activities that are not part of activities eligible under the Taxonomy.

Operating expenditure

The operating costs to be assessed under the Taxonomy are direct non-capitalized costs relating to research and development, building renovations, short-term rentals, maintenance and repairs, and all other direct expenditures relating to the day-to-day maintenance of tangible fixed assets and equipment by the company or a third party engaged for these purposes, which are needed to guarantee the continuous and effective functioning of such assets.

Following a reassessment of materiality, Nedap has decided to omit the disclosure of taxonomy-related operating expenditure (OpEx). In accordance with Article 8 of Regulation (EU) 2020/852 and the amended disclosure requirements set out in Commission Delegated Regulation (EU) 2023/2486, undertakings are permitted, as from the 2025 reporting year, to omit OpEx disclosures where such expenditure is assessed as not material. Based on this reassessment, Nedap concluded that its taxonomy-eligible and taxonomy-aligned OpEx is immaterial, as the relevant operating costs are limited in size and do not meaningfully contribute to the company's overall financial or sustainability performance. The limited level of taxonomy-eligible OpEx mainly reflects the fact that Nedap's sustainability-related investments have predominantly been capitalized in prior years, while ongoing operating costs related to these assets remain marginal. Consequently, the disclosure of OpEx KPIs would not provide decision-useful information to users of the financial statements. This approach is consistent with the proportionality and materiality principles embedded in the EU Taxonomy framework and the updated Article 8 disclosure templates applicable from 2025 onward.

Based on the accounting policies cited in the consolidated financial statements, the percentages listed have been calculated as the revenue (detailed in note 14 of the consolidated financial statements) and investments in fixed assets (detailed in notes 1 and 2 of the consolidated financial statements). Operating expenditure has been excluded from the calculation, as it is assessed to be immaterial for the purposes of the EU Taxonomy disclosures.

Nedap has made an effort to include all eligible revenue and capital expenditure activities in its disclosures. Only when an activity is deemed of limited size and importance to Nedap is it not reported on.

Application of proportionality and simplification measures

As from the 2025 reporting year, Nedap has applied the proportionality and materiality provisions introduced under Article 8 of Regulation EU 2020/852 and further specified in Commission Delegated Regulation EU 2021/2178, as amended by Commission Delegated Regulation EU 2023/2486. These amendments clarify disclosure requirements for non-financial undertakings and allow undertakings to omit disclosures that are assessed as not material, provided that such assessment is substantiated. This includes making use of the updated simplified reporting templates and applying the materiality threshold.

The methodology applied to determine Taxonomy eligibility and alignment is consistent with the approach disclosed in the 2024 Annual Report. The assessment of substantial contribution, Do No Significant Harm criteria, and minimum safeguards has been performed using the same framework, internal controls, and validation procedures as applied in the prior reporting year. No changes were made to the underlying interpretation of the Technical Screening Criteria.

No additional assumptions were introduced in the 2025 assessment beyond those already disclosed in prior reporting periods. The evaluation was based on available contractual documentation, supplier information and technical specifications.

The relevant Taxonomy Key Performance Indicators for turnover and capital expenditure are disclosed in the Taxonomy tables in section 8.5.8 of this Annual Report. In line with the amended Article 8 disclosure framework and based on a documented materiality assessment, Taxonomy-related operating expenditure, mostly related to servicing our fleet of electric vehicles and manufacturing equipment, has been omitted as it is considered not material.

Data quality limitations were not considered to have a material impact on the reported KPIs at aggregate level. Certain limitations were, however, identified in relation to specific activities. For activity 8.1 Data processing, hosting and related activities, alignment could not be established due to the absence of sufficiently detailed and auditable supplier disclosures regarding the Global Warming Potential of refrigerants used in data center cooling systems and the timing of related CapEx plans. Although available information, including publicly disclosed greening plans and compliance with the European Code of Conduct for Energy Efficiency in Data Centers, suggests progress toward the relevant Technical Screening Criteria, the lack of verifiable documentation prevents confirmation of alignment.

In addition, for investments in fully electric passenger cars, compliance with external rolling noise requirements relating to tire classification could not be fully evidenced due to incomplete supplier documentation. As a result, full alignment could not be established for these investments.

Based on the assessment performed and subject to the limitations described above, Nedap confirms that its EU Taxonomy disclosures for financial year 2025 have been prepared in compliance with Regulation EU 2020/852 and the applicable Delegated Acts in force for the reporting period.

Alignment of 2025 figures

Given the absence of unequivocal supplier declarations, Nedap relies on information obtained through conversations, greening plans disclosed on data centers' websites, and audit reports that were made available by data centers used for the activities classified under 8.1 Data processing, hosting, and related activities. This information suggested alignment with the Taxonomy criteria, notably by complying with the European code of conduct for energy efficiency. However, CapEx plans to replace existing chilling installations were part of these discussions as well. In 2024, it was established that the pace at which the global warming potential (GWP) of refrigerants used in the data center cooling systems will be brought down to systems not exceeding that of difluoromethane (with a GWP of 675) is not (yet) publicly disclosed, although plans exist to start naming those facilities that are aligned with the regulation. This situation continued in 2025. Until details about the GWP are disclosed, the CapEx plan could potentially exceed the timing criteria defined for said plans. Although this does not necessarily mean that the CapEx plans disqualify for alignment with the Taxonomy criteria, it is currently not possible to evidence this without further disclosures from these data centers. Nedap has therefore decided to present this activity as a non-aligned activity.

With regard to investments in all electric vehicles, it was established that these meet all the criteria for substantial contribution to climate change mitigation. An in-depth analysis of the DNSH criteria on pollution prevention and control indicates, however, that external rolling noise requirements that require tires to be in the highest populated class potentially disqualifies the investment in electric cars from alignment. Nedap prioritizes energy efficiency and grip safety over a limited reduction in noise levels and has been unable to retrieve all tire specifications of investments in electric vehicles in 2025. Based on the criteria in Regulation (EU) 2070/740, alignment with the Taxonomy could not be 100% established. For this reason, no alignment was reported for category 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles.

Conclusion

Given that the EU primarily focuses on sectors other than the ones in which Nedap operates (i.e., sectors with greater contribution potential), the share of Taxonomy-eligible activities could stay limited. We are committed to enhancing our positive contribution and reducing any negative impacts across all markets we serve. This commitment often extends beyond the range of activities identified by EU legislation, which might not align with the core of our business. We are focused on delivering sustainable and advantageous solutions, even in areas not expressly emphasized by current governmental policies. Our dedication encompasses a broad spectrum of sustainable goals, including those that might fall outside the activities specified by the EU.

Taxonomy disclosures

Nuclear and fossil gas related activities:

Nuclear energy related activities

- | | |
|---|----|
| 1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | NO |
| 2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for district heating or industrial processes (e.g., hydrogen production), as well as their safety upgrades, using best available technologies. | NO |
| 3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for district heating or industrial processes (e.g., hydrogen production from nuclear energy), as well as their safety upgrades. | NO |

Fossil gas related activities

- | | |
|--|----|
| 4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | NO |
| 5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO |
| 6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | NO |

Proportion of turnover/Total turnover

	<i>Taxonomy-aligned per objective</i>	<i>Taxonomy-eligible per objective</i>
CCM	0%	37%
CCA	0%	0%
WTR	0%	0%
CE	0%	28%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx/Total CapEx

	<i>Taxonomy-aligned per objective</i>	<i>Taxonomy-eligible per objective</i>
CCM	0%	19%
CCA	0%	0%
WTR	0%	0%
CE	0%	11%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx/Total OpEx

	<i>Taxonomy-aligned per objective</i>	<i>Taxonomy-eligible per objective</i>
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Taxonomy-related operating expenditure is omitted as it is assessed to be immaterial.

8.5.8 EU Taxonomy tables

(€ x 1,000)
Financial Year
2025

KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year (2024)	Proportion of Taxonomy aligned activities in previous financial year (2024)
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
Turnover	279,813	65%	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-	0%
CapEx	14,814	33%	58	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	129	1%
OpEx	689	Taxonomy-related operating expenditure is omitted as it is assessed to be immaterial.													

Turnover (€ x 1,000)
Financial Year 2025

Economic activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover)	Taxonomy aligned KPI (monetary value of Turnover)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover)	Environmental objective of Taxonomy aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
Hosting at data centers	CCM 8.1	37%	-	0%	0%	0%	0%	0%	0%	0%			0%
Manufacture of electrical and electronic equipment	CE 1.2	28%	-	0%	0%	0%	0%	0%	0%	0%			0%
Repair, refurbishment and manufacturing	CE 5.1	0%		0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total KPI Turnover		65%	-	0%	0%	0%	0%	0%	0%	0%			0%

8.6 Own workforce

Nedap strives to be the preferred organization for top-tier talent by fostering a culture of growth and excellence, and by facilitating an inclusive work environment where people feel safe, valued and empowered. This ambition is embedded in our People strategy and reflects our long-term focus on developing and retaining the capabilities needed to achieve our strategic objectives. We realize this by offering personal and professional development opportunities, translating our Diversity, Equity and Inclusion (DEI) vision into action, and making procedural improvements (e.g., updating our hiring policy for senior management positions) aimed at strengthening inclusion across the organization. Our workforce includes employees directly employed and paid by our legal entities, as well as non-employees, such as secondees, self-employed contractors, temporary workers, and students.

We acknowledge the risk that due to fast-moving developments in technology, we are unable to keep all our own employees' knowledge up to date, leading to a loss of our competitive advantage. When we are unable to foster a diverse, equitable, and inclusive work environment, this may negatively impact the well-being of individual employees and non-employees. When workers (employees and non-employees across all Nedap entities), regardless of their background, identity, or lived experience, do not feel empowered to be their authentic selves, they may also experience barriers to reaching their full potential. Risks include losing well-qualified workers and not being able to attract new, qualified individuals due to reputational damage and missed talent due to a lack of inclusive environments and processes. We have not identified any groups of people, such as people working at specific Nedap offices or individuals undertaking particular activities, who are at greater risk of harm.

8.6.1 Policies related to own workforce

Nedap has implemented several policies related to its own workforce, which are detailed below.

Human rights

Nedap's dedication to upholding human rights, as defined by the United Nations in its Universal Declaration of Human Rights, is formalized in Nedap's human rights policy document. We support the principles set out in the OECD Guidelines for Multinational Enterprises and those in the ILO Declaration on Fundamental Principles and Rights at Work. Any investigations, based on the OECD guidelines, are conducted in a way that corresponds with Nedap's size and the nature and context of its operations, as well as the severity of the risks of adverse effects on human rights. This policy applies to all our employees and non-employees worldwide. We also specifically address human rights in our code of conduct and explicitly reject any form of trafficking, forced labor, and child labor. Our current human rights policy does not describe mechanisms and processes for monitoring compliance with the United Nations Guiding Principles on Business and Human Rights, ILO Declaration, and OECD Guidelines, nor are there measures in place to remedy any negative impact on human rights. We will assess whether such additions are necessary for Nedap. For more information on our human rights policy, please refer to [section 3.1 Business integrity](#).

Workplace accident prevention

We comply with all relevant laws and regulations regarding working conditions and employee health to create a safe work environment for our employees. We have not deemed it necessary to formalize this in a policy. At our Nedap office in the Netherlands, we have two designated prevention officers and a well-functioning, trained Emergency Response Team consisting of around 90 people. As mandated by law, we have a risk inventory and evaluation, plan of action, and company emergency plan in place that describe risks related to the work environment and instructions for responding to possible situations. All Nedap subsidiaries globally have implemented their own prevention policies in compliance with local laws and regulations. We will implement a periodic review process to ensure the prevention policies of our subsidiaries remain up to date. For more information, please refer to [section 3.1 Business integrity](#).

Equal opportunities

As outlined in our code of conduct, we do not permit any form of discrimination. Nedap has also devoted significant time and attention to DEI in recent years, with a focus on strengthening how diversity, equity, and inclusion are embedded in its organization. Following structured discussions on this topic, we translated our insights into the first iteration of our Nedap-wide DEI vision and action plan, which has been approved by the Board of Directors. Our DEI policy serves as a starting point. Recognizing both the importance and complexity of this topic, we will continue to enhance our insights and refine and expand our policies.

Personal development

Nedap's talent development approach is built on entrepreneurship and continuous growth. We empower employees to take ownership of their development by providing an ecosystem with the right, development opportunities to learn and thrive. We foster a culture where curiosity and autonomy are valued, encouraging individuals to explore new challenges and expand their expertise. Through a comprehensive training portfolio, bespoke training programs, coaching and mentoring, and real-world experience, we support personal and professional growth aligned with both individual aspirations and Nedap's ambitions. By investing in our people, we strengthen our collective ability to add value and drive innovation. Talent development at Nedap is not a rigid framework, but an ecosystem designed to help people identify and reach their full potential. More information on talent development can be found in the subsection People and talent development of [section 2.3 Progress on our people](#).

Whistleblower policy

The whistleblower policy describes the procedure for safely reporting (the suspicion of) misconduct or irregularities. Misconduct refers to situations that can have serious consequences for our organization, our employees, other stakeholders, and/or society. Irregularities are failures or errors in execution, structures, processes, or procedures within the organization that are so serious that they exceed the responsibility of direct management.

8.6.2 Processes for engaging with own workforce

Within Nedap, we have various formal and informal channels to engage with employees. We elaborate on these channels in the paragraphs below.

Works council

In line with the Works Councils Act (“Wet op de Ondernemingsraden”; WOR), the works council has the right to promote and protect the interests of employees, while also considering the overall interests of the company. At Nedap, the threshold for informing and escalating issues to the Board of Directors or management is low. Nevertheless, Nedap’s management takes its obligation of involving the works council in important decisions in a timely manner seriously. These include decisions regarding organizational changes and large financial decisions.

The Board of Directors has an open line of communication with the works council, resulting in valuable exchanges about both legally mandated issues and other relevant topics.

The works council holds monthly meetings, alternating between consultation meetings with the company’s Board of Directors and independent meetings without the Board of Directors present. The meeting minutes are published and available to all employees.

The Board of Directors sets the overall agenda. As part of the consultation meetings, the works council brings forward issues raised by employees. During the year, the works council also meets with the Supervisory Board of Nedap N.V. to discuss the strategy of Nedap and evaluate its working relation with the Board of Directors.

Trade unions

Nedap N.V. has its own collective labor agreement (CLA), negotiated and concluded with the trade unions active at Nedap, FNV, and De Unie. Every year, these trade unions prepare a proposal for a new CLA. Typically, a new CLA is concluded for one year, beginning on 1 April. The negotiations for a new CLA are conducted between a delegation from management, Human Resources, and legal affairs, along with a representative from the relevant union and a Nedap union member. A delegation from the works council attends the negotiations, acting as observers. These discussions culminate in a so-called negotiation result, a document outlining the main points of the new CLA. This negotiation result is then presented to the union members at Nedap. Upon approval, the unions and management sign the CLA, after which it comes into force. Nedap’s employees can participate in the process by becoming members of the relevant unions, FNV, and De Unie.

Whistleblower policy

Nedap’s corporate culture is based on transparency and personal responsibility. We encourage our employees to speak up to prevent or quickly resolve undesirable situations. We recommend employees talk to someone they trust, such as a colleague, team captain, or the Compliance Officer about their concerns. When this is not a viable option, the procedures of the whistleblower policy can be used.

Confidential counselor

The confidential counselor is an impartial point of contact at work for employees who are confronted with unwanted behavior. The counselor offers a safe place to talk, helps in finding informal solutions, guides in formal procedures, advises the employer, and provides information to promote a safe working environment. In many cases, simply talking about such topics provides relief. Examples include integrity violations, sexual harassment, aggression, discrimination, and bullying. Nedap has two types of confidential counselors: confidential counselors for undesirable behavior (CCU) and confidential counselors for integrity (CCI). Nedap provides both internal confidential counselors as well as external confidential counselors.

Engagement surveys

In recent years, we have used annual questionnaires to measure employee engagement, focusing on a different department each year. As a result, each department was surveyed once every three years. Department-specific action plans were developed to follow up on outcomes. In 2025, we selected a new partner and introduced bi-annual pulse surveys, which allow us to more frequently capture employee voices. After each employee survey, captains are encouraged to identify three follow-up actions that can improve employee engagement.

Weekly Board Update

In the Weekly Board Update, a member of the Board of Directors shares their insights, relevant decisions, or vision for the future. In addition to this weekly email, we publish recent updates on Nedap's intranet, giving employees a glimpse into the decisions and initiatives shaping our organization. This helps keep employees up to date on the latest developments and promotes a shared understanding of the direction we are taking together.

We also engaged our employees to collect the necessary insights for developing our DEI policy. In 2024, we conducted a survey among all female employees to gain insights into how they perceive opportunities for growth toward a leadership position. Building on insights from the survey, we began developing a pilot program to support the advancement of women into leadership position. The pilot is expected to launch in 2026.

8.6.3 Remediation of negative impacts and reporting of concerns

Nedap has various mechanisms and channels in place for the workforce to express concerns. We follow up on each report and monitor the effectiveness of these channels to remediate negative impacts.

Our whistleblower policy explains how employees can safely report (the suspicion of) misconduct or irregularities. Employees may report concerns to the Compliance Officer in person or by phone. Alternatively, employees may report concerns in writing via our reporting system, IntegrityLog. The IntegrityLog system helps us to register, monitor, and follow up on issues raised. We continuously evaluate the effectiveness of the system, with the number of reports submitted

providing insight into employee awareness of these channels. Our General Counsel/Head of Compliance is the functional owner of this reporting system. Through the mandatory code of conduct training, which is provided to all new employees, we raise additional awareness of these channels. In addition, we use the Weekly Board Update to create awareness around this topic. We see an increase in informal notifications from our workforce.

While we encourage employees to report (the suspicion of) misconduct or irregularity internally first, we also provide the option to report concerns directly to a competent external authority, such as the House of Whistleblowers (“Huis voor Klokkenluiders”). We describe the procedure for this in our whistleblower policy.

We are investing in the expansion of training and development opportunities for our workforce. These investments contribute to a work environment where people can reach their potential. In 2025, we continued our investment in our learning management system, the Nedap Learning Platform. The platform makes it easier to access training programs, addressing feedback from employees who experience barriers to working on their development. We evaluate the effectiveness of our training and development offer by asking employees how much time they spent on their development. The Nedap Learning Platform will enhance our insights into how employees make use of our training and development offer moving forward.

8.6.4 Actions to manage our IROs and their effectiveness

Actions on diversity

One of our actions related to our own workforce is focused on achieving representation of women in leadership that is aligned with the composition of our overall workforce.

This is also reflected by our leadership targets on this topic. As mentioned previously, a DEI Lead and DEI Catalysts were recruited to lead initiatives aimed at creating a more welcoming and inclusive workplace by enabling structural process changes. The DEI team will dedicate several hours per week to enhance inclusivity, alongside their regular duties.

Several actions to further strengthen our work environment are already underway, including training on unconscious bias, inclusive leadership, and inclusive hiring. These initiatives support inclusive decision-making and leadership practices across the organization, and contribute to more equitable recruitment, promotion, and day-to-day collaboration.

In case of an adverse impact on our workforce, we will discuss the matter with the people involved. In the event of a violation of our code of conduct, we will consider disciplinary measures.

Actions on talent development

In addition to the above actions, we have a talent management approach in place that involves more targeted actions related to DEI, focusing on specific roles, teams, departments, and/or individuals. Examples include individualized development plans and the recruitment of specific profiles where we identify a gap in the existing potential within our employees.

Within talent management, we pay structural attention to gender with a focus on creating a balanced talent pipeline and realizing the full potential of female talent within Nedap. Our efforts span the top and sub-top management roles, as well as roles that feed into these management levels. As part of our talent reviews, we assess the potential of individuals in line with their career aspirations. As part of the succession planning process, we identify key positions and potential successors for the purpose of business continuity.

Leadership reviews take place in August and September. Outcomes of the leadership reviews for key positions are reported to the Supervisory Board in September. Succession planning takes place in October and November, which involves the development of action plans for potential successors of people in key positions.

The talent identification and potential assessment takes place and involves identifying talents and their potential. Talent identification covers all employees, and outcomes are communicated to the appropriate management level. Team captains then engage in conversations with the employee to create a personal development plan.

These processes are recurring, allowing us to monitor progress toward our ambitions, including our goal to achieve gender balance at various levels within the organization. We also gain insight into the effectiveness of our actions, allowing us to make adjustments as needed.

Developing our employees is both a goal and a necessity for staying relevant in a rapidly evolving world. We send out an annual development survey to our employees, which serves as an important tool for shaping our professional development offer. In 2023, we learned that many employees found it challenging to dedicate time to their development, often due to pressing responsibilities, a lack of time, and difficulty finding the appropriate development opportunities. This is one of the reasons we launched our Nedap Learning Platform. We will continue to develop more in-house trainings in the coming years.

A key area of DEI is gender balance. We disclose the gender ratios and our targets related to equality within Supervisory Board, Board of Directors, and senior management of the company, and we submit our plans of action to achieve these targets on an annual basis. In doing so, we comply with the Law on Entry Quota and Targets (“Wet Ingroeiquota”).

8.6.5 Targets related to managing our IROs

Annually, we report on gender balance and our targets for equality within the top and sub-top of the company and submit our plans of action to achieve these targets. This is in line with the Law on Entry Quota and Targets.

Our Supervisory Board composition adheres to the statutory diversity quota, ensuring at least one-third female and one-third male representation. Our Board of Directors maintains a gender balance, with at least one-third representation of both males and females. The ambition is for Nedap’s leadership to be a recognizable reflection of Nedap’s employee population. This conviction underpins Nedap’s DEI policy. Guided by this intent, Nedap set concrete targets in prior years for female representation in leadership roles, including the aim of reaching 27% female leaders by 2028. Based on developments in 2025, Nedap notes that achieving this target is under pressure. In particular, at the level just below senior management, the inflow and advancement of

female leaders remain limited, and Nedap’s internal succession pipeline shows insufficient momentum. In addition, due to low natural turnover in leadership positions, changes occur gradually, meaning progress depends heavily on occasional vacancies and external hiring. Target percentages remain an important guide for Nedap, provided they are viewed in conjunction with the effectiveness of inflow and advancement mechanisms. In 2026, Nedap will therefore recalibrate its governance framework for diversity in leadership, distinguishing between the statutory Board of Directors, the NLT, and senior management, with a stronger focus on concrete and predictive indicators for inflow and advancement. Our definition of senior management can be found in subsection 7.9.4 Senior management of [section 7.9 Sustainability notes](#).

We share ambitions, initiatives, and progress with the works council, ensuring that we take the employee perspective into consideration. We also share the results and follow-up actions from our engagement surveys with the works council. These surveys include questions on diversity and inclusion, such as perceptions of Nedap’s commitment to diversity and inclusivity, equal treatment and non-discrimination, diversity in recruitment, and equal opportunities for people with different backgrounds.

Our ongoing target is for each employee to spend at least 40 hours on development per year, including both personal and professional development. This 40-hour target was set based on a benchmark against similar companies. This target represents our commitment to continuous learning and growth, which are key to staying competitive and resilient. It is also a benchmark and an integral part of Nedap’s sustainability policy.

8.6.6 Characteristics of Nedap’s employees

During the reporting year, none of Nedap’s subsidiaries had more than 50 employees working in their respective countries. We have included the numbers for Nedap as a whole based on how our employees are registered in our HR systems. When onboarding an employee, personal information such as date of birth and gender are taken from the identification document presented by the employee. This information is updated only when there is a change to the details on the identification document.

Employees	2025		2024	
	Headcount	FTE	Headcount	FTE
Male	789	768	761	741
Female	287	263	279	257
Other	1	1	1	1
Total	1,077	1,032	1,041	999

Employees Headcount	2025				2024			
	Male	Female	Other	Total	Male	Female	Other	Total
Total	789	287	1	1,077	761	279	1	1,041
Permanent employees	716	261	1	978	683	254	1	938
Temporary employees	73	26	-	99	78	25	-	103
Non-guaranteed hours employees	-	-	-	-	-	-	-	-

The number of leavers in 2025 was 91 (in 2024: 112), resulting in a turnover rate of 8.6% (in 2024: 10.8%).

All numbers are reported as of 31 December 2025 and 2024. All employees who have left Nedap, with a last working day of 31 December, are included in the headcount and FTE numbers. FTE is defined as a full-time equivalent and is based on the number of hours an employee works per week versus the subsidiaries' standard working hours. For most employees, this is 38 hours per week.

These numbers link to the average number of employees of note 15 in [section 5.1 Consolidated financial statements](#).

8.6.7 Characteristics of non-employees in Nedap's own workforce

Non-employees	2025	2024
Secondment	19	20
Self-employed	51	50
Students (interns/graduation)	29	28
Temporary employments	28	27
Total	127	125

The number of non-employees is measured by headcount and represents the number of non-employees as of 31 December. All non-employees are registered in our HR systems. This provides insight into the flexible layer of our workforce and helps us to maintain a balance between employees and non-employees.

8.6.8 Diversity metrics

The table below shows the composition of senior management by gender.

Employees	2025		2024	
	Headcount	%	Headcount	%
Male	15	94%	13	87%
Female	1	6%	2	13%
Other	-	0%	-	0%
Total	16	100%	15	100%

We apply our own definition of senior management as stated in subsection 7.9.4 Senior management of [section 7.9 Sustainability notes](#).

The age distribution of our employees is as follows:

Employees	2025	2024
	Headcount	Headcount
0-29	149	161
30-39	431	419
40-49	260	225
50-59	166	164
60 and up	71	72
Total	1,077	1,041

8.6.9 Training and development

At Nedap, we do not track and register training hours or performance reviews in our systems, as this does not fit our culture. We also maintain a broad definition of professional development because learning and development takes place in many different formats. In addition to formal training, learning and development includes activities such as coaching, mentoring, visiting conferences, watching webinars, stretch assignments, and engaging in self-education. For this reason, we ask our employees to self-report their development hours and indicate whether they underwent any development or performance review.

In January 2026, we sent out the annual development survey. In this survey, we asked our employees to indicate the number of hours they spent on their own development in 2025, and whether they had at least one performance or career development review with their team captain or an employee from HR.

Based on responses from 433 employees (40%), the following survey results were obtained.

Employees	2025					2024				
	Performance/career development review			Average of development hours		Performance/career development review			Average of development hours	
	Respondents	# respondents with PR	%	# reviews per person (at least 1 per year)	Per respondent	Respondents	# respondents with PR	%	# reviews per person (at least 1 per year)	Per respondent
Male	313	302	96%	2.00	39	385	313	81%	1.53	43
Female	113	113	100%	1.98	32	146	126	86%	1.61	33
Other	7	7	100%	1.43	51	16	15	94%	1.44	33
Total	433	422	97%	1.98	37	547	454	83%	1.55	40

The table above presents gender data based on employees' self-identification, as reported in the annual professional development survey. Because we anonymized the survey, these figures differ slightly from the official gender data in our HR systems.

8.7 Consumers and end-users

A growing part of our business model is providing our customers with SaaS solutions to support them in optimizing their core business operations. Due to the expansion of our SaaS portfolio, we process more and more sensitive data every day. For example, within the key market Healthcare, this is highly sensitive information concerning our customers' clients and caregivers. Within the key market Security, this is security information of the end-users, primarily members of the organizations who use our security solutions. For this reason, we need to maintain a high level of information security to prevent widespread impact on our end-users, whose data we process within our solutions. Failing to comply with high information security standards not only poses a risk of regulatory fines, but also of reputational damage for Nedap as a whole, as we depend on our end-users to trust the security of our solutions.

8.7.1 Policies related to consumers and end-users

Privacy and data security are considered human rights under the United Nations Guiding Principles on Business and Human Rights. Protecting the human rights of our customers and end-users is a core aspect of our business operations. As disclosed in [section 8.6 Own workforce](#), respecting human rights is embedded in the Nedap code of conduct, as well as our human rights policy. We also embedded compliance management on privacy and data security as a key element of the Nedap Compliance Framework.

Additionally, Nedap's Privacy Policy outlines how General Data Protection Regulation (GDPR) principles are applied when processing any personal data, with a focus on safeguarding individuals' rights and addressing and remediating any potential impacts on privacy. We have published the full policy on our internal website and a relevant summary, the privacy statement, on our external website. Each business unit has a designated and trained privacy officer who serves as the primary contact for privacy-related matters. On an international scale, Nedap is expanding its privacy framework with a General Privacy Officer overseeing privacy risks across the organization. In 2025, steps were taken to further strengthen this framework; these actions will be completed in 2026. A Data Protection Officer (registered with the Dutch Data Protection Authority) supervises Nedap's privacy compliance, with ultimate responsibility resting with the Board of Directors.

Nedap's Information Security Policy outlines our commitment to safeguarding information by balancing security and availability, prioritizing security when necessary. It establishes governance through the Board of Directors and a Security Committee, defines roles and responsibilities, and aligns controls with ISO 27001 standards. The policy covers risk management, asset protection, access controls, network security, employee training, and incident response, ensuring compliance with legal and contractual requirements. It emphasizes security across the upstream and downstream value chain, requiring suppliers and partners to adhere to security standards, protect data, and mitigate risks associated with third-party access and outsourced development. The Nedap N.V. Information Security Policy is available on our intranet, Spark.

Both policies describe how customers and end-users can contact us regarding data security and privacy matters, which is further detailed in the next subsection.

8.7.2 Processes for engagement

Nedap has established general privacy and security incident response procedures. Incident reports by end-users, either directly or via business partners, are registered, followed up on by relevant teams, and resolved according to internal protocols. A root cause analysis is a mandatory part of this process from an information security perspective. Depending on the nature of the incident, the information is communicated back to the individual or party that submitted the incident report. In some cases, communication with a broader group of stakeholders may be required. The Board of Directors is ultimately responsible for ensuring the correct actions are taken.

The Nedap Privacy Policy emphasizes the protection of individuals' rights and freedoms while managing potential privacy impacts. Several processes support this effort, including privacy assessments that ensure personal data is handled appropriately in both internal and external tools used by Nedap. Data processing activities are recorded in the company's data processing register, and data protection impact assessments (DPIAs) are conducted where applicable.

Any data breaches are managed in accordance with Nedap's Incident Response Plan. Data processing agreements (DPAs) include provisions for reporting breaches and other concerns.

Feedback and input from stakeholders such as business partners and customers are received through various channels, including formal communication channels and informal interactions with Support, TechOps, Customer Success, and Product Management.

In the event of a critical security incident, Nedap may issue a press release to inform stakeholders.

Coordinated vulnerability disclosure (CVD) have been implemented for the Healthcare and Retail business units. The implementation of a Nedap-wide CVD program is ongoing and expected to be completed in 2026. CVD acts as a framework for the responsible handling of security risks across our software products.

8.7.3 Remediating negative impacts and raising of concerns

We maintain various processes through which we aim to remediate any negative impacts on customers. Incident Response Plans are in place for handling data breaches and other incidents, and these plans are reviewed periodically. For privacy-related issues, general channels such as email (accessible at [the Privacy Statement, Cookies & Disclaimer page on our website](#)) allow individuals to raise concerns.

When Nedap acts as a data processor, customers can contact the privacy officer of the relevant business unit, following the terms outlined in the DPA. The DPA also specifies procedures for customers to report data breaches.

Each business unit has communication portals for raising concerns, and data breaches are managed internally according to the Incident Response Plan. All significant data breaches are reported to the specific privacy officer, as well as to the General Privacy Officer, who logs them in the general Incident Register.

Nedap actively uses and continuously monitors channels available for customers to contact the company. By doing so, Nedap aims to ensure that appropriate follow-up actions are taken and negative impacts are remediated. We determine the effectiveness of these channels by assessing the number of reports submitted and actions taken in response to those reports.

Additionally, Nedap has a whistleblower policy to protect any person who raises a concern.

Nedap has a crisis communication plan that is activated in the event of an incident or crisis that could negatively impact consumers or end-users. This plan includes information regarding the remediation of such incidents.

For general information security concerns, the general email address is used as a contact point. Incidents are handled according to the relevant incident response plans, while vulnerabilities are addressed through the respective vulnerability response plans. Each business unit maintains its own incident response plan and incident register.

Depending on the nature of the security issue, national laws such as the existing Security of Network and Information Systems Act (“Wet beveiliging netwerk- en informatiesystemen”; Wbni) or the new Cyber Security Act (“Cyberbeveiligingswet”; Cbw) may require Nedap to notify the appropriate supervisory authorities, such as the Dutch Authority for Digital Infrastructure (“Rijksinspectie Digitale Infrastructuur”; RDI).

Each year, we receive both privacy- and security-related reports through our formal and informal channels. This leads us to conclude that customers and end-users are aware of and trust our processes, and that our processes to raise concerns are effective.

8.7.4 Actions in relation to IROs

Maintaining our policies for preventing incidents and actions for managing privacy and security impacts is an ongoing process at Nedap. Through a continuous focus on privacy and security, we minimize the likelihood of vital or critical incidents occurring. Nedap has established a privacy organization to ensure that the privacy of data subjects, including all consumers and end-users whose data we process, is protected. This is detailed in the Privacy Policy.

Nedap’s privacy officers hold regular meetings to share knowledge and discuss developments, incidents, and projects, all aimed at protecting consumers and end-users. Progress on reported incidents is monitored during these meetings, and relevant updates in legislation are discussed within the compliance framework. Nedap uses learnings from incidents to improve processes and assess their effectiveness.

To ensure compliance, Nedap drafts DPAs, conducts privacy assessments for new tools, products and services, and enforces data subject rights. The privacy officers participate in events, such as seminars and webinars, to stay informed about the latest developments in privacy legislation and technology.

Nedap's Privacy Policy and its related processes undergo an annual review by the General Privacy Officer to ensure they remain current and effective. This review includes updates based on changes in legislation, insights, and best practices.

Each business unit has an incident response plan outlining responsibilities and processes, as defined in the Standard Operating Procedures (SOP). These plans focus on follow-up, remediation, and prevention of negative impacts. We are exploring the option of combining the different incident response plans and SOPs into one Nedap-wide SOP.

ISO 27001 certifications and other security-related certifications highlight Nedap's ongoing actions to maintain security standards and its intention to keep its ISO 27001 certification.

Nedap has a Security Committee, and progress is regularly discussed during security officers' meetings. Security officers use insights from these meetings and incident reviews to improve processes. The company also continuously takes part in various industry and government initiatives, such as through membership in the Cyber Resilience Center Brainport ("Weerbaarheidscentrum Brainport"; CWB) and participation in knowledge exchange via the National Cyber Security Center ("Nationaal Cyber Security Centrum"; NCSC), to stay up to date on data security issues. These actions contribute to achieving the targets in the policy.

As with privacy, Nedap's Information Security Policy is reviewed annually by the Information Security Committee to ensure it remains relevant and effective, incorporating updates based on new legislation and best practices.

Each business unit has an Information Security Officer.

8.7.5 Targets and metrics related to managing IROs

At Nedap, we encourage people to report all suspected privacy and security incidents, no matter the size. Reported events are assessed and, if they qualify as incidents, registered as data leaks in the incident log and subsequently classified based on size and exposure. Size represents the number of applications or parties involved, and exposure is the number of business units or legal entities affected. Based on the incident's size and exposure, we assign an escalation level of vital (endangering the continuity of Nedap), critical (severe damage to Nedap), or regular. Please refer to subsection 8.9.5 Incident classification of [section 8.9 Sustainability notes](#) for more detailed information about the incident classification.

Both policies are focused on minimizing impact. As such, Nedap's continuous target is no vital or critical incidents. We analyze all incidents, even minor ones, so that we can learn from them and take action to prevent recurrence. To encourage the reporting of all incidents, we regularly discuss privacy and security impacts and risks with our stakeholders. Implementing security strategies and continuously monitoring privacy risks has been proven to reduce the risk of breaches and compliance violations.

In 2025, there were no critical or vital incidents (in 2024: 0 and 0).

There were no instances of privacy and data security-related human rights violations reported in 2025.

8.8 Business conduct

Nedap is committed to fostering a culture that aligns with its values of integrity, responsibility, respect, and professionalism, as outlined in its code of conduct. To foster this culture and address business conduct matters, Nedap has implemented a range of policies and practices that ensure compliance with ethical standards and legal requirements.

Our culture also promotes open communication and trust in the value chain. Our ambition to create a collaborative and empowering work environment where every voice is heard and decisions are made with integrity, extends to our entire value chain. We are dedicated to preserving good relationships with parties in our supply chain. We also audit our key suppliers to ensure their continued compliance with environmental and social legislation, and alignment with our norms and values. We seek to uphold our culture in order to avoid negative impacts to people involved and to preserve valued relationships in the value chain.

8.8.1 Culture and business conduct

Culture and business conduct policies

Nedap's code of conduct is at the core of its culture, which emphasizes transparency, personal responsibility, and adherence to ethical principles. The code of conduct applies to all individuals involved in or associated with our company. All employees working for Nedap, including subsidiaries, are required to complete a mandatory training on the code of conduct within a specified number of days after joining the company. This training is delivered digitally through our learning and development platform and must be repeated every three years, with the system ensuring compliance through tracking, reminders, and a procedure for escalating non-compliance to captains.

In addition to the general code of conduct training, the Legal team conducts specialized sessions focusing on key areas of business conduct, including anti-bribery and anti-corruption, compliance, and the company's whistleblower policy. These training sessions are provided every other year to business units and significant teams to ensure that employees remain well-informed and equipped to uphold the company's ethical standards.

Reporting mechanisms

At Nedap, employees are encouraged to speak up and challenge individuals whose conduct falls short of the company's ethical standards. Non-compliance with the code of conduct can have serious repercussions for both individuals and the organization. As such, Nedap places a strong emphasis on enforcing its ethical principles to prevent harm to stakeholders.

To support this, Nedap has established mechanisms for reporting and investigating misconduct promptly, independently, and objectively. Employees are encouraged to address issues directly with colleagues when possible. However, if this is not feasible, they can report concerns to various individuals within the company, including team captains, business unit leaders, confidential counselors, or members of the Board of Directors. In cases involving misconduct by a member of

the Board of Directors, reports can be escalated to the chair of the Supervisory Board. Nedap also has a whistleblower policy, which is published on its website. This policy ensures that current and former employees, as well as external partners, have a secure and confidential avenue for reporting any (suspicions of) misconduct within the organization. The mechanisms to protect whistleblowers are covered by the policy as well.

Additionally, any irregularities involving share trading or price-sensitive information must be reported to the insider trading compliance officer.

8.8.2 Management of relationships with suppliers

Nedap's supply chain consists of a diverse range of suppliers, categorized into strategic, key, and other suppliers. Procurement is carried out both by the procurement team and independently by the various business units. Strategic suppliers are the electronics manufacturing services (EMS) partners to which electronic hardware of Nedap products, or parts thereof, has been outsourced. Key suppliers are critical partners that provide essential components, materials, or services that are critical for Nedap and/or suppliers, with a yearly direct spend with Nedap exceeding €500,000.

Specific management processes apply to strategic and key suppliers due to their significant impact and/or relevance. For all other suppliers, the General Purchase Conditions of Nedap serve as the default terms for all purchasing agreements. However, business units may, at their discretion, opt to deviate from these conditions. At minimum, the code of conduct of Nedap applies to all purchase agreements that are concluded based on the General Purchase Conditions of Nedap 2024.

Due diligence

We conduct due diligence checks to ensure the responsible selection of suppliers. The due diligence assessment is an essential part of the qualification process of every potential new strategic or key supplier. The criteria are based on expected corporate social responsibility (CSR) behaviors, compliance with the code of conduct, and Nedap's (sustainability) goals. This qualification process is managed by the appointed Corporate Team specialist within the procurement team. The Corporate Team specialist is supported by the relevant field specialist(s) from the involved business unit(s). A potential new strategic or key supplier can only be formally contracted after meeting the minimum requirements, as set during the qualification process.

For other potential new suppliers, the qualification process is limited to capabilities that Nedap deems necessary. The capabilities are decided by members of the Corporate Team or the operational management of the business unit(s).

Management of strategic and key suppliers

Strategic and key suppliers have a significant impact on Nedap's supply chain performance, particularly in relation to hardware. Therefore, we take a proactive and comprehensive approach to addressing, controlling, and monitoring our suppliers' performance on CSR topics.

Strategic suppliers

The Agreement of Strategic Suppliers incorporates a structured system for monitoring and evaluating the ESG performance of strategic suppliers. This system is designed in alignment with the Quality Assurance Agreement contract document and contains clear and mutually agreed upon key performance indicators (KPIs) on ESG topics for strategic suppliers. KPIs are monitored, addressed, and reported by suppliers on a quarterly basis to ensure ongoing compliance.

The KPI system is in place to ensure strategic suppliers' actions are not only economically driven, but also focus on sustainable and socially responsible practices. This approach reflects CSR principles and makes sure the code of conduct of Nedap is respected. It allows Nedap to track and understand how primary suppliers are progressing in terms of their commitment to CSR.

Key suppliers

Key suppliers vary in their nature and impact. Some may produce a small but highly specialized part or product specifically for Nedap, while others supply bulk products tailored to Nedap's needs. Consequently, the ESG impact of key suppliers differs.

Key suppliers with a significant impact on ESG topics follow a process similar to that of strategic suppliers, with mutually agreed upon KPIs that are monitored and reported annually.

Key suppliers with a low impact on ESG topics undergo the previously mentioned qualification assessment and are subject to periodic evaluations. If there are indications or concerns that a supplier is not meeting Nedap's standards or is failing to align with the requirements outlined in Nedap's code of conduct, members of the Corporate Team and operational management of the relevant business unit(s) and, where possible, the supplier, will discuss appropriate corrective actions.

Audit

We have implemented an audit program to ensure that strategic and key suppliers comply with the established requirements. The procurement team conducts audits of these suppliers in line with the Procurement Guidance Audits document. This means that CSR-related topics are audited in alignment with the set KPIs. In addition, a CSR audit can be done upon request. Our audit program ensures that all suppliers are reviewed at least once per three-year cycle.

Each audit is concluded with a formal audit report, which includes a checklist of findings and a timeline for addressing any issues identified.

8.9 Sustainability notes

The following notes provide additional context and clarification regarding the data and information presented in the sustainability statement. They include definitions, methodologies, scoring criteria, and references to ensure transparency and alignment with the European Sustainability Reporting Standards (ESRS).

8.9.1 Scoring criteria for IROs

Negative impact assessment

Negative impact is defined as the impairment of, damage to, or the ability to cause impairment of or damage to the economy, environment, and people through business activities. Negative impacts cannot be offset by positive impacts.

The negative impact is scored based on five variables:

- 1 Actual or potential:**
Whether the impact is already present or could potentially happen in future situations.
- 2 Severity – Scale:**
How grave the negative impact is for people or the environment. Ranging from minimal (1) to absolute (5).
- 3 Severity – Scope:**
How widespread the impact is. The number of individuals affected or geographical distribution. Ranging from limited (1) to total (5).
- 4 Severity – Remediability:**
Whether and to what extent the negative impacts could be remediated (restoring the environment or affected people to their prior state). Ranging from very easy to remedy (1), to non-remediable / irreversible (5).
- 5 Likelihood:**
How likely it is that this impact will occur. Ranging from rare (1) to (almost) certain (5). Actual impact is set to score '(almost) certain (5)'.

Positive impact assessment

Positive impact is defined as Nedap's contribution to sustainable development through its activities (i.e., products and services) with a positive effect on economy, environment, and people.

The positive impact is scored based on four variables:

- 1 Actual/potential:**
Whether the impact is already present, may occur in future situations, or is uncertain.
- 2 Severity – Scale:**
How beneficial the positive impact is for people or the environment. Ranging from minimal (1) to absolute (5).
- 3 Severity – Scope:**
How widespread the impact is, e.g., the number individuals affected or geographical distribution. Ranging from limited (1) to total (5).
- 4 Likelihood of impact:**
How likely it is that this positive impact will occur. Ranging from rare (1) to (almost) certain (5). Actual impact is set to score '(almost) certain (5)'.

Financial risk assessment

Financial risk is defined as the sustainability-related financial risks arising from environmental, social, or governance matters that may negatively affect Nedap's financial position, financial performance, cash flows, access to finance, or cost of capital in the short, medium, or long term.

Financial risk is scored based on four variables:

- 1 *Financial risk:*
Effects from risks that influence Nedap's cash flow, financial position, and financial performance over the short, medium, or long term. One of two scores is assigned: (1) immaterial (collective financial effects less than €1 million in one year) and (5) material (collective financial effects more than €1 million in one year).
- 2 *Reputational risk:*
The sense that an event can cause reputational damage. Ranging from low (1) to high (5).
- 3 *Regulatory risk:*
The sense that an event can cause regulatory consequences. Ranging from low (1) to high (5).
- 4 *Likelihood:*
How likely it is that this risk will occur. Ranging from rare (1) to (almost) certain (5). Actual impact is set to score '(almost) certain (5)'.

Financial opportunities assessment

Financial opportunities are defined as uncertain environmental, social, or governance events or conditions that, if they occur, could cause a potential, material positive effect on Nedap's business model, strategy, its capability to achieve its goals and targets, and to create value, and therefore may influence Nedap's decisions and those of its business relationship partners with regard to sustainability matters. Like any other opportunity, sustainability-related opportunities are measured as a combination of an impact's magnitude and the probability of occurrence.

Financial opportunity is scored based on two variables:

- 1 *Financial opportunity:*
The magnitude of the perceived effect on Nedap's cash flow, financial position, and financial performance over the short, medium, or long term.
 - Low (1): less than €0.1 million.
 - Medium low (2): between €0.1 and €1 million.
 - Medium (3): between €1 and €2.5 million.
 - Medium high (4): between €2.5 and €10 million.
 - High (5): more than €10 million.
- 2 *Likelihood:*
How likely it is that this opportunity will occur. Ranging from rare (1) to (almost) certain (5). Actual impact is set to score '(almost) certain (5)'.

8.9.2 References

DR	Description	Reference	Explanation
ESRS 2 - General disclosures			
BP-1	General basis for preparation of sustainability statement	8.1.1 General basis for preparation of the sustainability statement	
BP-2	Disclosures in relation to specific circumstances	8.1.2 Disclosures in relation to specific circumstances 8.1.3 Disclosures incorporated by reference	
GOV-1	The role of the administrative, management and supervisory bodies	8.4.1 The role of the administrative, management and supervisory bodies	
GOV-2	Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	8.4.2 Sustainability information and governance within leadership	
GOV-3	Integration of sustainability-related performance in incentive schemes	8.4.3 Integration of sustainability-related performance in incentive schemes	
GOV-4	Statement on due diligence	8.4.4 Statement on due diligence	
GOV-5	Risk management and internal controls over sustainability reporting	8.4.5 Risk management and internal controls over sustainability reporting	
SBM-1	Strategy, business model and value chain	8.2.1 Nedap's business model and value chain	
SBM-2	Interests and views of stakeholders	8.2.2 Nedap's engagement with stakeholders	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	8.3.2 Material impacts, risks and opportunities	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	8.3.1 Double Materiality Assessment process	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	8.3.3 List of disclosure requirements	
ESRS E1 - Climate Change			
ESRS 2 GOV-3	Integration of climate-related performance in incentive schemes	8.4.3 Integration of sustainability-related performance in incentive schemes	
E1-1	Transition plan for climate change mitigation	8.5.1 Transition plan for climate change mitigation	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	8.3.2 Material impacts, risks and opportunities	
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	8.3.1 Double Materiality Assessment process	
E1-2	Policies related to climate change mitigation and adaptation	8.5.2 Policies related to climate change mitigation	
E1-3	Actions and resources in relation to climate change policies	8.5.3 Actions and resources in relation to climate change policies	
E1-4	Targets related to climate change mitigation and adaptation	8.5.4 Targets related to climate change mitigation	
E1-5	Energy consumption and mix	8.5.5 Energy consumption and mix	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	8.5.6 Gross scope 1, 2, 3 and total GHG emissions	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-	Not material
E1-8	Internal carbon pricing	-	Not material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	-	Phased-in option used in line with ESRS 1 Appendix C: List of phased-in disclosure requirements.
ESRS S1 - Own workforce			
ESRS 2 SBM-2	Interests and views of stakeholders	8.2.2 Nedap's engagement with stakeholders	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	8.3.2 Material impacts, risks and opportunities	
S1-1	Policies related to own workforce	8.6.1 Policies related to own workforce	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	8.6.2 Processes for engaging with own workforce	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	8.6.3 Remediation of negative impacts and reporting of concerns	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	8.6.4 Actions to manage our IROs and their effectiveness	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	8.6.5 Targets related to managing our IROs	
S1-6	Characteristics of the undertaking's employees	8.6.6 Characteristics of Nedap's employees	

DR	Description	Reference	Explanation
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	8.6.7 Characteristics of non-employees in Nedap's own workforce	
S1-8	Collective bargaining coverage and social dialogue	-	Not material
S1-9	Diversity metrics	8.6.8 Diversity metrics	
S1-10	Adequate wages	-	Not material
S1-11	Social protection	-	Not material
S1-12	Persons with disabilities	-	Not material
S1-13	Training and skills development metrics	8.6.9 Training and development	
S1-14	Health and safety metrics	-	Not material
S1-15	Work-life balance metrics	-	Not material
S1-16	Compensation metrics and pay gap and total compensation	-	Not material
S1-17	Incidents, complaints and severe human rights impacts	-	Not material
ESRS S4 - Consumers and end-users			
ESRS 2 SBM-2	Interests and views of stakeholders	8.2.2 Nedap's engagement with stakeholders	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	8.3.2 Material impacts, risks and opportunities	
S4-1	Policies related to consumers and end-users	8.7.1 Policies related to consumers and end-users	
S4-2	Processes for engaging with consumers and end-users about impacts	8.7.2 Processes for engagement	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	8.7.3 Remediating negative impacts and raising of concerns	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	8.7.4 Actions in relation to IROs	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	8.7.5 Targets and metrics related to managing IROs	
ESRS G1 - Business conduct			
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	8.4.1 The role of the administrative, management and supervisory bodies	
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	8.3.1 Double Materiality Assessment process	
G1-1	Corporate culture and business conduct policies and corporate culture	8.8.1 Culture and business conduct	
G1-2	Management of relationships with suppliers	8.8.2 Management of relationships with suppliers	
G1-3	Prevention and detection of corruption or bribery	-	Not material
G1-4	Confirmed incidents of corruption or bribery	-	Not material
G1-5	Political influence and lobbying activities	-	Not material
G1-6	Payment practices	-	Not material

The data points deriving from other EU legislation (as per ESRS 2, Appendix B) that are not included in our sustainability statement (i.e., E2-4, E3-1, E3-4, E4-2, E5-5, S2-1, S2-4, S3-1, S3-4) were excluded because they are not material.

8.9.3 GHG emissions metrics

Scope 1

The scope and company boundaries for scope 1 are all direct GHG emissions from sources that are owned and controlled by Nedap. All GHG emissions from scope 1 are calculated using our GHG calculation tool, where the activity data is multiplied by the appropriate GHG emission factor (EF). For scope 1 combustion, EFs are used that only include the GHG emissions that occur from the combustion of the fuel (tank-to-wheel; TTW). We prioritize the use of market-based EFs or EFs published by the countries in which Nedap operates. If a country does not provide specific EFs, we turn to alternative sources to obtain suitable factors. EFs for refrigerants are based on the published GHG emissions for the (mixture of) leaked gas.

Stationary combustion

This scope 1 category includes all fuel combustion in stationary equipment, such as boilers, heaters, and engines. Specifically, it covers the consumption of natural gas for heating our buildings.

Additionally, this category includes electricity generation from our solar panels, provided that the electricity is consumed on site and does not first feed into the grid. All activity data in this subsection is gathered through an overview provided by the supplier or the invoices itself.

The activity data included is:

- Total consumption of natural gas per entity.
- Total electricity generated by own solar panels and consumed on site.

Mobile combustion

This paragraph includes all mobile combustion from vehicles owned and controlled by Nedap. GHG emissions from electric vehicles are accounted for in scope 2. The activity data is based on actual data received on the amount of fuel consumed in the reporting year. If Nedap subsidiaries do not have actual data, GHG emissions will be estimated based on kilometers driven, the type of fuel, and the vehicle's fuel efficiency. Default values from credible sources such as national databases will be used.

The activity data included is:

- Total fuel consumption from gasoline-fueled cars.
- Total fuel consumption from diesel-fueled cars.

Leakage of refrigerants

This category includes all GHG emissions that arise from leakage of refrigerants in cooling equipment from our air conditioning systems. The activity data is gathered from the external parties responsible for maintaining our air conditioning systems.

The activity data included is:

- Total amount of refrigerant leakage per type of refrigerant.

Scope 2 calculations

Scope 2 GHG emissions are indirect GHG emissions resulting from the generation of purchased electricity, heating, steam, and cooling. For Nedap, this means we account for the electricity used for our buildings, owned hardware in data centers, and owned or leased electric vehicles. Additionally, we account for the gas consumption at Nedap Germany, even though we do not have direct control over the gas meter.

All scope 2 GHG emissions are calculated by multiplying the activity data by the appropriate EF. The EFs used only include GHG emissions from the combustion of fuel TTW. We prioritize the use of market-based EFs or EFs published by the countries in which Nedap operates. If a country does not provide specific EFs, we turn to alternative sources to obtain suitable factors. We distinguish between market-based and location-based GHG emissions calculations.

Market-based approach

Under the market-based approach, EFs are sourced from our suppliers and must meet the scope 2 quality criteria. If supplier-specific factors are unavailable, location-based grid-average EFs are used.

GHG emissions are then calculated by multiplying the consumed electricity by the supplier-specific EF.

Location-based approach

The location-based approach utilizes country-specific EFs, focusing on grid-average GHG emissions that are beyond corporate control. For each of our geographic locations, we collect the appropriate grid GHG emission factor to accurately calculate location-based GHG emissions.

GHG emissions are calculated by multiplying the consumed electricity by the grid-average EF corresponding to each specific geographic location.

The activity data included is:

- Purchased electricity consumption.
- Electricity consumed by data centers.
- Purchased electricity for vehicles outside of the charging stations at Nedap.
- Consumption of natural gas from Nedap Germany.

The activity data used is preferably based on electricity data from our supplier. When direct electricity consumption data is unavailable, we ask the landlords for an estimation of our contribution to the building's consumption. When neither is available, we will estimate GHG emissions using the following parameters: the size of the office (m²), the number of days employees are present, and standardized energy consumption based on local energy consumption.

Scope 3 calculations

To structure Nedap's Scope 3 greenhouse gas accounting, a distinction is made between product-related and non-product-related activities. Product-related GHG emissions arise from activities directly associated with Nedap's sold products, while all other Scope 3 emissions are classified as non-product-related. Within Scope 3, product-related activities represent a significant share of total GHG emissions, with the use phase of sold products being the most material category. Use-phase emissions are calculated at an individual product level, as are emissions related to

upstream and downstream transportation and the end-of-life treatment of sold products. Emissions associated with the manufacturing of purchased components and materials are calculated using a scalable, LCA-based portfolio approach. Non-product-related GHG emissions are calculated using either activity-based data or a spend-based approach, depending on data availability. Where spend-based methods are applied, emission factors expressed in kgCO₂e per euro of expenditure are used and adjusted to the reporting year to ensure consistency over time.

In 2025, sustainability attributes have been further integrated into Nedap's IT landscape, and manufacturing stages have been embedded into the emissions calculation and reporting process. As a result, product- and portfolio-level CO₂e emissions are now systematically calculated and aggregated through Nedap's internal reporting environment. In addition, the set of representative products has been expanded, taking into account purchase value, further improving portfolio coverage. To ensure accuracy and relevance, life cycle assessments are conducted using the most recent version of the Ecoinvent database and the IPCC 2021 Life Cycle Impact Assessment Method (LCIAM). All GHG emissions are calculated in accordance with the principles and requirements of ESRS E1 and the GHG Protocol, using methodologies that ensure consistency, transparency, and comparability across reporting periods.

The table below provides an overview of the Scope 3 categories, indicating their applicability to Nedap, whether they are product-related or non-product-related, and the calculation method applied.

Scope 3 category	Activities related to	Calculation
1: Purchased goods (product-related)	Product	LCA
1: Purchased goods and services	Non-product	Spend-based
2: Capital goods	Non-product	Spend-based
3: Fuel and energy	Non-product	GHG calculation tool
4: Upstream transportation and distribution	Product	Individual products and spend-based
5: Waste generated in operation	Non-product	GHG calculation tool
6: Business travel	Non-product	GHG calculation tool
7: Employee	Non-product	GHG calculation tool
8: Upstream leased assets	Not applicable to Nedap	
9: Downstream transportation and distribution	Product	Individual products
10: Processing of sold products	Not applicable to Nedap	
11: Use of sold products	Product	Individual products
12: End-of-life	Product	Individual products
13: Downstream leased assets	Not applicable to Nedap	
14: Franchises	Not applicable to Nedap	
15: Investments	Not applicable to Nedap	

Category 1: Purchased goods and services

This category includes GHG emissions from all purchased goods and services not otherwise covered by other upstream scope 3 categories (i.e., categories 2 through 8). To provide a clear breakdown of what is included in this category, we distinguish between product-related purchases and services and non-production-related products.

Product-related purchases

This category includes GHG emissions arising from purchased components and materials used in the production of Nedap's sold products. Product-related emissions are calculated using a scalable, LCA-based portfolio methodology embedded in Nedap's IT landscape. This methodology enables the calculation of cradle-to-gate emissions at component level and the consistent aggregation of results at product and portfolio level.

As not all products and components are yet fully enriched with the required sustainability attributes in the Product Lifecycle Management (PLM) system, a clustering approach is applied for part of the product portfolio. Representative products are used to estimate emissions for similar products with comparable material composition and manufacturing characteristics. GHG emissions are aggregated at cluster level by combining the emissions of representative and derivative products, multiplied by the total number of items purchased and adjusted using the weight ratio of derivative products relative to their representative counterparts. This approach provides a comprehensive and scalable view of the greenhouse gas emissions associated with Nedap's purchased products. As portfolio coverage increases year-on-year, the proportion of products calculated using primary component-level data increases, thereby improving the overall accuracy and completeness of the results.

Where primary product or component data is not yet available, documented assumptions and representative data are applied. These assumptions are reviewed periodically and progressively replaced by primary data as system integration improves and products are updated. In addition, the determination of product and component weights is systematically documented, for example based on supplier specifications, CAD-based mass calculations or standardized reference data. This ensures traceability of key inputs, supports internal validation and external assurance, and enables continuous improvement of data quality.

Purchased services and non-production-related products

For purchased services and other non-product-related goods that fall outside the scope of the product portfolio LCA, GHG emissions are calculated using a spend-based approach. This approach is based on financial general ledger data and applies representative emission factors expressed in kgCO₂e per euro of expenditure, adjusted for inflation to ensure consistency over time.

Category 2: Capital goods

GHG emissions from capital goods are calculated using a spend-based approach. This calculation is based on the balance sheet entries for capitalized assets acquired during the reporting year and applies representative emission factors expressed in kgCO₂e per euro of expenditure, adjusted for inflation. The reported emissions cover upstream (cradle-to-gate) emissions associated with the production of these capital goods and exclude emissions related to their use phase.

Category 3: Fuel- and energy-related activities (not included in scope 1 or 2)

The activity data for this category will be derived from the same data collected for scope 1 and 2 GHG emissions. An EF that excludes combustion-related GHG emissions will be applied. Where possible, well-to-tank (WTT) factors will be sourced from the same dataset as scope 1 and 2 to maintain consistency.

In addition, next to the data center GHG emissions from the energy used, the additional energy required to cool and operate the data centers, calculated based on the power usage effectiveness (PUE) of each data center, is included. GHG emissions data are sourced based on the published EFs of the country where the GHG emissions took place or, if unknown, the WTT factors published by the UK government.

Category 4: Upstream transportation and distribution

This category includes all GHG emissions associated with upstream logistics activities that are arranged and paid for by Nedap, including intercompany shipments. Because shipment-level payment responsibilities are not consistently available for all transport flows, transportation emissions are calculated at an individual product level and subsequently allocated between category 4 and category 9. For allocation purposes, it is assumed that two-thirds of transportation emissions are reported under category 4 and one-third under category 9 (Downstream transportation and distribution), to ensure consistent reporting and avoid double counting.

Emissions related to upstream warehousing are calculated using a spend-based approach, based on financial general ledger entries mapped to warehousing activities. This spend-based calculation follows the same methodology as applied under category 1.

For determining the transportation modes, the following assumptions are applied:

- For transport distances up to 2,500 kilometers, transportation is assumed to take place exclusively by truck.
- For distances exceeding 2,500 kilometers, a mixed transport model is applied, assuming 5% of the distance travelled by truck, 5% by sea freight, and 90% by air freight.

Category 5: Waste generated in operations

This category describes the GHG emissions from the treatment of waste generated by Nedap's operations and includes both waste from our owned buildings and leased offices. As input, we use the total mass of the waste generated and the proportion of waste treated by different methods (e.g., landfill, incineration, recycling). The EFs used are closed-loop waste disposal emission factors published by the UK government.

Where applicable, we utilize data provided by our waste processor. For Nedap N.V., this data is readily available, including detailed information on waste processing methods. For Nedap subsidiaries where this data is unavailable, we estimate waste generation based on factors such as average days spent in the office, number of employees, and national average office waste generation figures.

The GHG emissions that arise from waste generated in our operations are calculated using our GHG calculation tool.

Category 6: Business travel

This category includes GHG emissions from employee transportation for business-related activities in vehicles not owned or operated by Nedap. The GHG emissions are calculated in the GHG calculation tool, using a distance-based approach.

We differentiate between various means of travel, including air, rail, road (bus or car–rental or employee-owned, excluding commuting), and water.

For Nedap, we collect the data based on kilometers traveled through reimbursed travel expenses or travel-related expense records. We typically have data available for the distance and method of travel. When precise data is unavailable, the distances will be calculated.

The total number of kilometers traveled are multiplied by the appropriate EF, which is specific to the type of vehicle and the geographical location where travel took place.

Category 7: Employee commuting

This category includes GHG emissions from employees commuting between their homes and the office, excluding trips with company-owned or leased cars. The activity data is based on the total distance traveled by all employees and the breakdown of the various modes of transportation used, such as car, bus, and train.

In countries where Nedap reimburses commuting expenses, we have accurate data on the total commuting distance for the reporting year. If this data is unavailable, we calculate the activity data based on the distance between employees' residential addresses and the office, average days spent in the office, and a breakdown of the modes of transportation used. The GHG emissions that arise from employee commuting are calculated using our GHG calculation tool.

Category 8: Upstream leased assets

This category is not applicable to Nedap. Leased office buildings and vehicles are accounted for in scope 2.

Category 9: Downstream transportation and distribution

This category includes GHG emissions associated with transportation for which Nedap does not arrange or pay for the service. Because shipment-level information on payment responsibility is not consistently available for all transport flows, transportation emissions are calculated at an individual product level and subsequently allocated between category 4 and category 9. For allocation purposes, it is assumed that one-third of transportation emissions are reported under this category, with the remaining two-thirds allocated to category 4 (Upstream transportation and distribution), to ensure consistent reporting and avoid double counting.

The same transportation mode assumptions as applied under category 4 are used for downstream transportation calculations.

Category 10: Processing of sold products

Category 10 includes GHG emissions from the processing of sold intermediate products by third parties, which are products that require further processing, transformation, or inclusion in another product before use. This category is not applicable to Nedap, since we do not sell intermediate products.

Category 11: Use of sold products

In this category, we look at the future use phase of the sold products in the reporting year. This means that we look at the GHG emissions from our sold products in the use phase over their entire lifetime.

The calculation of the use phase GHG emissions for products involves a structured approach focused on estimating GHG emissions during the product's operation over its entire lifetime. GHG emissions are calculated for each individual product, based on its sales quantity, to ensure accurate GHG emissions calculations.

One of the primary challenges in this calculation is determining the exact location where the product will be used. To address this, we use the EFs for the geographic region of the country to which the product is shipped. The geographic region is in most cases the continent on which the country is situated. Only in the case of Oceania, we specifically use the respective EFs for Australia and New Zealand due to the significant difference between them.

The GHG emissions calculation is based on the estimated total use of electricity during the product's lifetime, formulated as:

Total use of electricity during lifetime [kWh] (= power consumption [W] / 1,000 x duty cycle [%] x product lifetime [h]) x geography-specific EF [kgCO₂e / kWh] x sales quantity

The total use of electricity during the product's lifetime is calculated by first determining the product's power consumption, measured in watts (W). Most of the time, this information is included on the data sheets of the product and provided by the product experts of the business units. This power consumption is then multiplied by the duty cycle, which represents the number of hours the product is in use per day as a fraction of 24 hours, effectively expressed as a percentage. The result is then multiplied by the product's estimated lifetime, measured in years, to determine the total electricity consumption over its entire lifetime. As the EF is given in kgCO₂e per kWh, we convert watts to kilowatts by dividing the result by 1,000, and we convert years to hours by multiplying the result by 24 hours and 365 days.

For products powered by batteries, we distinguish between primary and rechargeable batteries. Rechargeable batteries, whether replaceable or not, are treated as if the product is directly connected to the grid. For primary non-replaceable batteries, GHG emissions are accounted for during production, as they are charged once. For primary replaceable batteries, GHG emissions from additional battery purchases during the product's lifetime are considered indirect use phase GHG emissions, and these will be included if they exceed 5% of the product's production phase GHG emissions.

Once the total electricity consumption is calculated, it is multiplied by the region-specific EF in kgCO₂e / kWh, and the total number of items sold in the reporting period is applied to determine the overall GHG emissions during the use phase of the sold products in a given year. Grid factors are used for the following global regions: Africa, Asia, Australia, Europe, Latin America and the Caribbean (South America), New Zealand, and North America.

Category 12: End-of-life treatment of sold products

GHG emissions from the end-of-life treatment of sold products are calculated using a globally weighted average emission factor. The weighting of end-of-life treatment routes is based on global electronic waste collection and treatment shares as reported in The Global E-Waste Monitor 2024. No product- or region-specific end-of-life data is currently available; therefore, a global average approach is applied.

The following end-of-life treatment routes are included in the weighted average: formal recycling, informal recycling, open burning and disposal to landfill. For each of these treatment routes, corresponding emission factors from the Ecoinvent database are applied. The overall end-of-life emission factor is calculated by combining the treatment shares with the respective Ecoinvent emission factors.

This globally weighted emission factor is applied consistently to all products sold by Nedap, reflecting an average global end-of-life scenario and ensuring methodological consistency across the product portfolio.

Category 13: Downstream leased assets

This category is not applicable, as Nedap does not lease out assets to other entities.

Category 14: Franchises

This category is not applicable, as Nedap does not have any franchises.

Category 15: Investments

This category is not applicable, as Nedap is not an investor, nor a financial company.

8.9.4 Senior management

Nedap's senior management (which is referred to as 'top management' in the ESRS) consists of the following roles as of 31 December 2025:

- Managing Director Healthcare
- Managing Director Livestock
- Managing Director Retail
- Managing Director Security
- Managing Director UV
- HR Director
- General Counsel
- Team lead Communications
- Team Lead IT
- Team Lead Smart
- Concern Controller
- Investor Relations Manager
- Internal Auditor
- Director Brand & Design
- Managing Director Nedap FZE
- Managing Director Nedap Inc.

As of 31 December 2024, the senior management within Nedap consisted of 15 people, including 2 females and 13 males.

During 2025, Nedap updated its senior management structure to better reflect its strategic priorities and way of working. This included the addition of the strategic role of Director Brand & Design and aligning the definition of senior management with the Nedap Leadership Team (NLT). As a result, senior management as of 31 December 2025 consisted of 16 people, including 1 female and 15 males.

8.9.5 Incident classification

It is logical that an incident that affects two customers in one key market requires different measures and involvement of Nedap employees than an incident that affects all key markets and customers of Nedap. We have therefore determined escalation levels that allow us to scale up based on the nature of the incident, with specific follow-up measures assigned to each level. To align with Nedap’s risk management approach, we use the following escalation levels:

- **Vital:** the impact of the incident is so big that the continuation of the company can be seriously affected.
- **Critical:** the impact of the incident is of such a magnitude that significant damage can be caused to the company.
- **Regular:** the impact of the incident remains limited and within manageable proportions.

The escalation level is determined based on the incident’s size and exposure. Where the term “parties” is used below, it may refer to customers, suppliers, service providers, sub-processors, linking parties, or data subjects, depending on the nature of the incident.

Size

Within the criterion of size, the following gradations can be distinguished:

- **Small:** no or a few parties/applications are affected number < 5%.
- **Medium:** multiple parties/applications are affected number < 25%.
- **Large:** many parties/applications are affected number > 25%.
- **Completely:** all parties/applications are affected number = 100%.

Exposure

Within the criterion of exposure, the following gradations can be distinguished:

- **Limited:** one business unit or legal entity is affected.
- **Wide:** multiple business units or legal entities are affected.
- **Completely:** all business units or legal entities are affected.

Classification matrix

The following matrix has been drawn up to determine the escalation level:

		Exposure		
		Limited	Wide	Completely
Size	Small	Regular	Regular	Critical
	Medium	Regular	Critical	Vital
	Large	Critical	Critical	Vital
	Completely	Critical	Vital	Vital

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