FINANCIAL STATEMENTS
of ElringKlinger AG

2024

PIONEERING
INNOVATIVE
TECHNOLOGIES
FOR A
SUSTAINABLE
FUTURE.

elringklinger

Financial Statements of ElringKlinger AG for Fiscal 2024

Contents

The accompanying financial statements of ElringKlinger AG have been prepared in accordance with the provisions of the German Stock Corporation Act (AktG) and the German Commercial Code (HGB).

The management report of the ElringKlinger AG has been combined with the management report of the ElringKlinger Group in accordance with the regulations of the German Commercial Code (HGB). Aside from the section „Financial Performance, Net Assets and Cash flows of ElringKlinger AG“ and unless otherwise specified, the combined management report is applicable to both the ElringKlinger AG and the ElringKlinger Group.

The Financial Statements of ElringKlinger AG are available in German and English. Only the German version shall be legally binding.

Overview of ElringKlinger's Activities and Structure

The business activities of the ElringKlinger Group, which operates at an international level, are focused on the development, manufacture, and sale of components, modules, and systems for the automotive industry. One of the key purposes of ElringKlinger's business model is to help shape the transition within the mobility sector by developing innovative products geared towards a sustainable future. It is with this in mind that the company is advancing climate-friendly drive technologies such as battery and fuel cell solutions. These technologies are also capable of unlocking opportunities for fields of application in the non-automotive sector, which the Group is committed to embracing. ElringKlinger's portfolio is complemented by a broad range of products in the Aftermarket and Engineered Plastics segments.

Company profile

The operating activities of the ElringKlinger Group, whose history dates back to 1879, primarily relate to the development, manufacture, and sale of components, modules, and systems for the automotive industry. The Group's capability as an innovator is of key importance to ElringKlinger's corporate strategy, the aim being to support a sustainable future. In this context, ElringKlinger takes a fundamentally open attitude, i.e., a technology-agnostic view, towards various types of drive technology. Alongside the automotive supply portfolio, the Group's range of products and services includes those targeted at customers operating in other industries. The Group's comprehensive portfolio also encompasses a very wide range of products centered around aftermarket sales as well as an offering in the field of engineered plastics.

ElringKlinger has its headquarters in Dettingen/Erms, Germany, and is represented at 45 international locations worldwide[1]. In the 2024 financial year, the Group generated revenue of EUR 1,803 million (2023: EUR 1,847 million). The Group employed an average of around 9,600 people in 2024.

Business model and core competencies

Against the backdrop of progressive transformation in the automotive industry, ElringKlinger sees itself in a market-shaping role. The Group's new product developments are focused on technological fields of the future that are considered relevant to sustainable mobility, such as battery and fuel cell technology as well as lightweight structural engineering. The long-standing business units form an important basis for the advancement of core competencies obtained over a period of many decades. These include extensive expertise in materials and operations relating to metal and plastics processing. This primarily encompasses knowledge of the processing steps of punching, embossing, and coating as well as plastic injection molding. ElringKlinger's expertise in the industrialization of newly developed products – from toolmaking to efficient large-scale production – is of considerable importance.

Within the Engineered Plastics segment, ElringKlinger can draw on many years of far-reaching materials and processing expertise relating to high-performance machinable thermoplastics and products for various industrial sectors.

SHAPE30 Group strategy

With a view to successfully shaping the process of transformation in the automotive industry, ElringKlinger laid out its Group strategy in the form of an integrated concept entitled SHAPE30 and presented the associated targets – together with the key factors for achieving them by the end of the decade – on the company's website in the 2024 financial year. The company's purpose, vision, and mission are set out in this concept as fundamental elements. In summary, the purpose is defined as "Pioneering Innovative Technologies for a Sustainable Future" and the vision as "The Preferred Partner in Driving Innovative Technologies." This expresses ElringKlinger's ambition to harness its passion for technology and innovation in pursuit of a sustainable future and to establish itself as the preferred partner to customers and other stakeholders. The mission defines five success factors to be implemented: #1 Product Transformation, #2 Sustainability, #3 Process and Performance Excellence, #4 Digital Transformation, #5 Corporate Culture. They determine the areas of action, the aim being to identify specific measures in each case. In the 2024 financial year, a far-reaching program was put in place to present the details of the Group strategy to the entire workforce

[1] Unless otherwise specified, all figures refer to December 31, 2024.

and to ensure employee engagement with regard to its implementation.

Group structure and organization

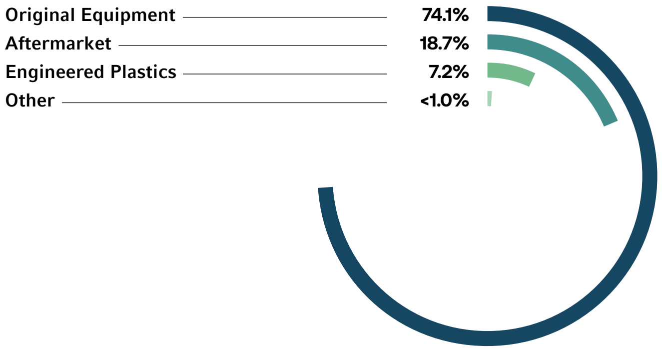
As of December 31, 2024, the ElringKlinger Group comprised 41 fully consolidated companies in 19 countries (cf. Notes, "Scope of Consolidated Financial Statements"). The parent company of the Group is ElringKlinger AG, which has its registered office in Dettingen/Erms, Germany. Operating several sites in Germany, it fulfills a financing function for affiliated companies and constitutes the largest operational Group company in terms of revenue and production volume.

The Group's organizational structure is based on a matrix in conjunction with the three levels consisting of corporate units (CU for short), business units (BU for short), and plants. The corporate units oversee centrally managed functions, while the business units are responsible for product, production, and investment activities and the plants ensure implementation at an operational level.

In addition to strategic management, the parent company ElringKlinger AG is home to the corporate units responsible for the central functions of Purchasing & Supply Chain, IT, Communications, Finance, Legal, and Human Resources. Sales activities are also performed by corporate units: centrally at ElringKlinger AG in the case of the Original Equipment and Aftermarket segments and at ElringKlinger Kunststofftechnik GmbH, Bietigheim-Bissingen, Germany, with regard to the portfolio of the Engineered Plastics segment. Research & Development activities are assigned to the individual business units.

The Management Board of ElringKlinger AG consists of three members: the Chief Executive Officer, the Chief Operating Officer, and the Chief Sales Officer, each with their own areas of responsibility.

Group revenue by segment 2024



in EUR million (previous year)

Original Equipment Car, truck, and engine manufacturers, automotive suppliers, non-automotive	**1,335.2**	(1,411.9)
Aftermarket Independent aftermarket business	**336.3**	(300.1)
Engineered Plastics Automotive industry, mechanical engineering, medical technology	**130.0**	(132.3)
Other Unspecified industries	**1.6**	(2.9)

Locations, sales, and procurement markets

As a global Group, ElringKlinger is represented with plants in all of the world's major vehicle markets. Of the 45 sites operating around the globe, 37 are production sites. In terms of revenue, Europe leads the way with a 53.7% share of Group sales revenue, followed by North America (25.3%) and Asia-Pacific (15.3%). In the majority of cases ElringKlinger holds a Tier 1 supplier position within the automotive industry value chain. This means that it maintains a direct line of contact with vehicle and engine manufacturers, particularly within the Original Equipment segment. Within the Engineered Plastics segment, which boasts a wide range of products, ElringKlinger operates as a supplier to various sectors. In the Aftermarket segment, the customer base consists of wholesalers and group purchasing organizations.

For the manufacture of its products, ElringKlinger primarily requires raw materials and capital goods as well as merchandise. The most important raw materials include alloyed stainless steels, carbon steel, aluminum, polyamide-based plastic granules, i.e., pellets, and elastomers as well as polytetrafluoroethylene in the Engineered Plastics segment; these materials are sourced from international procurement markets. Purchasing at ElringKlinger is organized centrally in order to pool requirements as effectively as possible and conclude blanket agreements. At the same time, the objective of regional material procurement is also taken into account. Materials accounted for 42.0% (2023: 44.7%) of the cost of sales in the 2024 financial year.

Segments and business units

The ElringKlinger Group's business activities are divided into four segments: Original Equipment, Aftermarket, Engineered Plastics, and Other. The segments specified above constitute the business segments in accordance with the International Financial Reporting Standards IFRS (specifically: IFRS 8) "Operating Segments."

Within the **Original Equipment** segment, ElringKlinger develops, manufactures, and sells systems, modules, and components destined in particular for the automotive industry. The segment is divided into the business units Lightweighting/Elastomer Technology, Metal Sealing Systems & Drivetrain Components, Metal Forming & Assembly Technology, and E-Mobility. The business units each possess specific competencies that are utilized across the business units as needed. As set out in the SHAPE30 Group strategy, ElringKlinger evaluates its product groups on the basis of market potential. Based on these findings, it draws up strategies that may result in the realignment of business units and sites. In the 2024 financial year, this was reflected in divestments, primarily in the Metal Forming & Assembly Technology business unit (cf. "Important Events").

The Lightweighting/Elastomer Technology business unit develops and produces components made of thermoplastics for drivetrain, body, and underbody applications. A variety of manufacturing processes, including thermoplastic composite hybrid technology or plastic-metal hybrid technology, as well as numerous materials or material-specific innovations provide the basis for tailor-made solutions with high functional integration and/or weight savings with regard to all types of drive system, i.e., vehicles equipped with combustion engines as well as those powered by hybrid or all-electric systems.

As its primary activity, the Metal Sealing Systems & Drivetrain Components business unit offers an extensive portfolio of seals and gaskets for a wide range of vehicle applications. The remainder of the portfolio covers a multitude of products, including transmission control plates, complex formed parts engineered from sheet metal, and rotor/stator concepts for electric drive units.

The Metal Forming & Assembly Technology business unit offers punched and formed metal components as well as assemblies for electromobility. Its portfolio also includes customized shielding packages with thermal, acoustic, and/or aerodynamic functions for the entire vehicle – from the engine and the underbody to the exhaust tract.

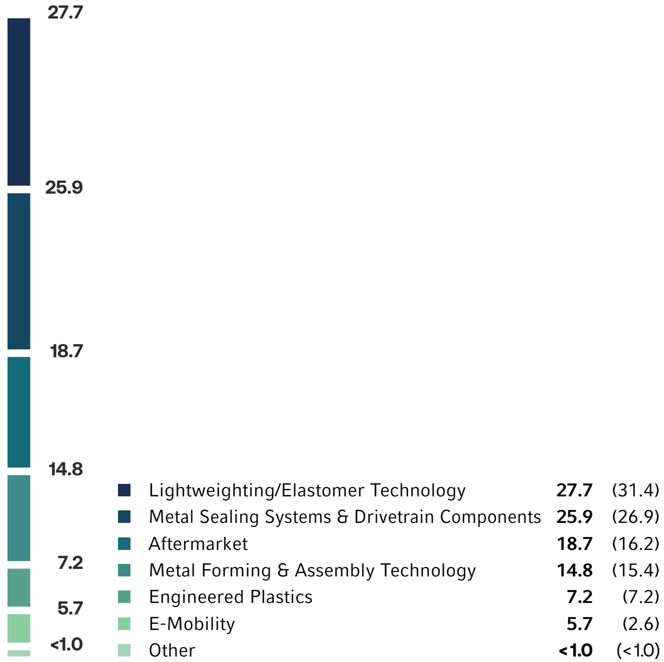
The E-Mobility business unit, featuring battery and fuel cell technology, brings together technologies currently of relevance to the electrification of vehicle propulsion. The Group was early to focus on solutions for electromobility, as evidenced by its active involvement in fuel cell technology for more than two decades and a track record of more than ten years as a series supplier of electromobility products. Today, ElringKlinger is an established supplier of components, modules, and systems for battery and fuel cell technology. ElringKlinger has been operating its own battery technology site in Neuffen, Germany, since 2021. Construction of the new Battery Center Americas in Easley, SC, USA, commenced in 2024. The subsidiary EKPO Fuel Cell Technologies GmbH, located at the headquarters in Dettingen/Erms, specializes in the development, production, and distribution of a portfolio centered around fuel cell technology. ElringKlinger is no longer pursuing its market development activities relating to the system business for electric drive units, an area that was focused on the niche market of high-end sports and luxury vehicles.

In the **Aftermarket segment**, which is equivalent to the Aftermarket business unit, ElringKlinger offers an extensive range of gaskets, gasket sets, and service parts for the repair of engines, transmissions, exhaust systems, and auxiliary units in cars and commercial vehicles. They are marketed under the "Elring – Das Original" brand. Western and Eastern Europe continue to be the strongest markets in terms of revenue, although business in the Americas and Asia regions has expanded significantly in recent years.

Within the **Engineered Plastics segment**, which also constitutes a business unit by the same name, ElringKlinger develops, manufactures, and markets a wide range of customized products made of various high-performance plastics. Revenue is attributable primarily to sales within the mechanical engineering sector and the medical devices, chemical, and energy industries as well as the vehicle industry. ElringKlinger is pushing ahead with efforts to expand its business in this segment at an international level and also operates production sites in the United States and China.

At less than 1%, the **segment** referred to as **Other** accounts for a negligible share of Group revenue. It includes services provided by various subsidiaries. Among these are order picking services for the Aftermarket segment and revenue generated by the company restaurant and catering services. Business relating to the operation of engine test benches and measuring equipment for engines, transmissions, and exhaust systems, which had formerly been included in this segment, was phased out as planned in the preceding year and subsequently terminated in the 2024 financial year.

Group revenue by business unit[1] 2024
(previous year) in %



[1] Presentation supplemented by the segments Aftermarket, Engineered Plastics, and Other

Economic and legal factors

In the Original Equipment segment, ElringKlinger primarily operates as a supplier to vehicle manufacturers. Demand is influenced by trends relating to global vehicle production, which in turn is driven by the direction taken by sales markets. Primary drivers include, for example, the economic situation, purchasing power in the various regions, consumer behavior, fuel prices, and government funding. Regulations governing climate protection are considered to be a key influencing factor in terms of legislation. Against the backdrop of ever stricter emissions regulations, vehicle concepts with lower or zero emissions are required to an increasing extent. Geopolitical and trade policy factors, disruptions to supply chains, or the availability of raw materials may also play a prominent role in those cases in which the associated impediments are more severe.

Internal Control System

For the purpose of managing the Group, ElringKlinger regularly collects and evaluates financial metrics, non-financial performance indicators, and leading indicators relating to economic and industry performance. Financial metrics constitute the most important control criteria. In this context, the company is guided by the strategic principle of sustainable management.

The management of the ElringKlinger Group applies metrics, leading indicators, and knowledge gained from market observations, for example, as a basis for strategic considerations, planning, and ongoing decision-making. This includes a company-specific system of indicators that encompasses cross-departmental targets in respect of the business units and is monitored by the Management Board and Vice Presidents (i.e., the first line of management below the Management Board) on a monthly basis. The dependencies between individual indicators in operational areas of business as well as between operational progress and financial effects are conveyed in transparent reporting and are communicated on a regular basis. The system of indicators provides a basis for pursuing the company strategy and achieving corporate goals, as it makes developments quantifiable, visible, and generally easier to manage in a targeted manner.

Key financial control criteria

The key control criteria of the ElringKlinger Group and the parent company ElringKlinger AG are revenue, adjusted EBIT margin (earnings before interest and taxes, adjusted for exceptional items, in relation to revenue), operating free cash flow, and return on capital employed (ROCE) as financial metrics.

Sales revenue and the adjusted EBIT margin are budgeted, calculated, and continually monitored for the Group, the individual Group companies, including ElringKlinger AG, and the segments Original Equipment, Aftermarket, and Engineered Plastics as well as the associated business units. Adjusted Group EBIT is used for the purpose of better comparing operating profitability across different periods in a way that eliminates the effect of exceptional items. It is defined as reported EBIT adjusted for amortization of intangible assets from purchase price allocation, changes in the scope of consolidation, and exceptional items. Exceptional items, for example, include gains and losses from non-recurring events, such as impairments (including impairments of goodwill), reversals of impairments, restructuring costs (including severance payments), and gains and losses on disposal from M&A activities.

Calculating ROCE for the Group

in EUR million

EBIT	**-150.0**	
	31.12.24	**31.12.23**
Equity	685.3	910.7
Financial liabilities	365.4	449.9
Provisions for pensions	95.9	104.0
Total	**1,146.5**	**1,464.6**
Average capital employed	**1,305.6**	
ROCE[1]	**-11.5%**	

[1] Calculation: EBIT/Average capital employed
Calculation on the basis of unadjusted EBIT (unadjusted ROCE)

As an indicator, ROCE refers to the return on capital employed. It illustrates the level of the return on capital employed and is calculated by putting EBIT in relation to capital employed. In this context, ElringKlinger uses average capital employed as a basis of calculation. This includes shareholders' equity, financial liabilities, and provisions for pensions. Based on adjusted Group EBIT, which is relevant for management purposes, the adjusted

ROCE for the 2024 financial year was 6.7% (2023: 6.8%). Calculated on the basis of unadjusted EBIT, this resulted in ROCE of -11.5% for the 2024 financial year (2023: 5.6%). In order to ensure meaningful comparability, ElringKlinger intends to forecast and report adjusted ROCE from the 2025 financial year onwards.

Operating free cash flow serves as an indicator of internal financing capability. It is calculated by deducting cash outflows for investments in property, plant, and equipment and intangible assets, excluding cash flows for M&A activities and cash flows for financial assets, from cash flow from operating activities.

Other indicators that are not classified as key indicators but are of relevance to financial control include the equity ratio and the net debt-to-EBITDA ratio, which represents net financial liabilities[2] in relation to EBITDA[3].

The table shows the key and other control criteria for the ElringKlinger Group.

Financial control criteria of the ElringKlinger Group

	Guidance 2024[1]		2024	2023	2022	2021	2020
Revenue	Slight organic growth[2]	(in EUR million)	1,803.1[3]	1,847.1	1,798.4	1,624.4	1,480.4
EBIT (adjusted)		(in EUR million)	87.6	100.1	68.4	102.0	27.7
EBIT margin (adjusted)[4]	Approx. 5% of Group revenue	Margin:	4.9%	5.4%	3.8%	6.3%	1.9%
ROCE[5]	Around 6%		-11.5%	5.6%	-2.7%	6.4%	1.7%
ROCE (adjusted)			6.7%	6.8%			
Operating free cash flow		(in EUR million)	58.4	36.7	14.8	72.0	164.7
	Approx. 2% of Group revenue		3.2%	2.0%	0.8%	4.4%	11.1%
Equity ratio	40 to 50% of total assets		39.0%	45.3%	43.8%	47.0%	41.4%
Net debt-to-EBITDA ratio[6]	Below 2.0		1.7	1.6	2.1	1.7	2.5

[1] Original forecast according to combined management report 2023; adjustments during the year – if applicable – are not presented.
[2] Adjustments are made for currency and M&A effects when calculating organic revenue growth.
[3] Revenue reported; revenue adjusted for effects of currencies and acquisitions (organic): EUR 1,831.2 million (-0.9%/market growth: -1.1%)
[4] As of 2023, ElringKlinger reports adjusted EBIT and the adjusted EBIT margin, Adjusted figure shown here from fiscal year 2022.
[5] Return on Capital Employed; As from 2025 ElringKlinger reports the adjusted ROCE calculated on the basis of adjusted EBIT.
[6] Net debt/EBITDA

Non-financial and other internal control criteria

Sustainability is an aspect firmly enshrined as one of five success factors within a corporate strategy geared towards increasing enterprise value. The company's management is supported in its sustainable practices by a comprehensive system of non-financial metrics. The procedure of recording metrics was further refined in the 2024 financial year and more closely aligned with operational processes thanks to software support. This includes personnel, quality, and environmental indicators, such as CO_2 emissions and energy consumption. At present, non-financial control criteria do not constitute key control criteria for the Group.

Further information on non-financial indicators can be found in the combined non-financial report, which has been included in the 2024 annual report under the heading "To Our Shareholders" in the separate section "Combined Non-Financial Report." The publication of the 2024 annual report is scheduled for March 27, 2025, on the website https://elringklinger.de/en/investor-relations/reports-presentations/financial-reports-pulse-magazine.

Company- and market-specific leading indicators

Economic and industry-specific leading indicators are used for the purpose of assessing future revenue and business trajectories. These include, for example, projected growth rates relating to gross domestic product, forecasts of trends within the global vehicle markets, and expectations regarding the price of materials. Among the important leading indicators specific to the company are metrics relating to order intake and order backlog. Revenue budgeting is based on customer call-offs executed as part of their delivery scheduling arrangements, recorded systematically on the basis of a timescale of up to 24 months, and the nominated volumes of customer orders over the entire term of the contract. Leading indicators specific to the market, sector, and the company are continually monitored, forming the basis for reviews of the forecast for the remainder of the respective year, which are conducted on several occasions during the annual period, and the annually compiled business plan, which includes mid-term planning with a timescale of five years.

[2] Current and non-current financial liabilities less cash and short-term securities
[3] Earnings before interest, taxes, depreciation, and amortization

Research and development

ElringKlinger is actively contributing to the industry's transition towards climate-neutral mobility by developing and mass-producing components and systems that help to reduce carbon emissions. Over the course of many years, ElringKlinger has been focusing its efforts heavily on the development of alternative drive technologies, with a particular emphasis on batteries and fuel cells. The innovative product solutions stemming from these activities are the fruit of independent research and development work as well as close collaboration with customers.

In the 2024 financial year, R&D activities continued to focus on battery technology, fuel cell technology, and lightweighting, all of which are considered strategic fields of the future.

Research and development ratio at 5.3%

In the 2024 financial year, modifications and newly developed solutions were introduced in the long-standing business units of Metal Sealing Systems & Drivetrain Components, Metal Forming & Assembly Technology, and Lightweighting/Elastomer Technology as well as in the E-Mobility business unit and the Engineered Plastics segment. As a highly technology-driven company with a strong focus on innovation, ElringKlinger concentrates primarily on transferring its own existing expertise to new applications. This is also reflected in the host of newly developed products that the above-mentioned business units have realized in the field of electromobility.

Research and development activities within the ElringKlinger Group are centralized to a large extent within the respective business units. This prevents an outflow of existing knowledge. Development activities are concentrated at the German sites for the Original Equipment and Engineered Plastics segments and at the site in Southfield, MI, USA. The company's other sites handle smaller development tasks and refinements. A total of 694 (2023: 627[4]) staff were employed in R&D as of December 31, 2024. The number of employees assigned to research and development increased in the period under review, particularly within the strategic fields of the future.

R&D costs (including capitalized development costs) amounted to EUR 95.2 million in the 2024 financial year (2023: EUR 96.0 million). This corresponds to an R&D ratio of 5.3% (2023: 5.2%), which was thus slightly in excess of the prior-year figure and within the target range of around 5 to 6% (including capitalized development costs). Out of this total, the amount capitalized was EUR 20.8 million (2023: EUR 27.1 million), giving a capitalization ratio of 21.8% (2023: 28.2%).

Technological expertise reflected in another record number of patent applications

The Group invariably seeks legal protection for new developments at both a product and a process level. In this context, the centralized patent department is tasked with protecting the company's technological expertise and intellectual property rights. In the 2024 financial year, it submitted a total of 146 applications relating to industrial property rights (2023: 110). This marks a new record and bears testimony not only to the R&D spirit of ElringKlinger employees but also to the Group's enduring innovatory prowess. As in the previous year, a significant proportion of the newly registered industrial property rights relate to the Group's strategic fields of the future (fuel cell and battery).

Key R&D figures

in EUR million	2024	2023
Research and development spending	95.2	96.0
Capitalized development costs	20.8	27.1
Capitalization ratio[1]	21.8%	28.2%
Research and development costs	**74.4**	**69.0**
Amortization/impairment of capitalized development costs	64.6	4.8
Research and development costs recognized through profit or loss	139.0	73.7
Research and development ratio[2]	**5.3%**	**5.2%**
Patent applications	146	110
R&D staff	694	627

[1] Capitalized development costs in relation to R&D costs, including capitalized development costs
[2] R&D costs, including capitalized development costs, in relation to revenue

The future of drive technologies: transformation and diversity

The mobility transformation currently under way is particularly apparent in the field of drive technologies. New types of drive system will gradually replace combustion engine technology, the aim being to reduce CO_2 emissions in the transport sector. The focus here is primarily on battery-powered electric and fuel cell vehicles. ElringKlinger sees tremendous potential in both technologies and expects them to evolve at different speeds depending on how and where in the world they are being used. In this context, the company is working on the assumption that battery

[4] The headcount includes all direct and indirect employees in the area of research and development. The prior-year figure was adjusted in accordance with a uniform approach.

and fuel cell technology will coexist. Taking a technology-agnostic approach, it thus aims to support and supply its customers in a way that is open to all technologies.

Driven by prevailing trends and regulatory requirements, the market for combustion engines will gradually shrink, while alternative drive technologies are likely to see significant growth. ElringKlinger has geared itself up accordingly. Optimizing and increasing the efficiency of modern combustion engines remains a relevant topic for ElringKlinger's developers. Regardless of this, the focus of development activities is on the strategic fields of the future in the form of battery and fuel cell technology as well as lightweight structural engineering.

Battery technology: success in securing new projects

As part of organizational measures, the Electric Drive and Battery Technology sections were merged within the E-Mobility business unit. The series production of cell contacting systems for lithium-ion batteries has been an integral part of the ElringKlinger Group's transformation for many years. The cell contacting system electrically connects the individual battery cells to form the overall battery, while also monitoring both voltage and temperature and providing safety mechanisms. The Group applies its expertise in metal forming, punching technology, injection molding, and tool development to the manufacture of cell connectors and plastic parts used in cell contacting systems. It is partly a testament to this expertise and its know-how in the field of industrialization that ElringKlinger was awarded a high-volume series production contract for the supply of cell contacting systems to be fitted to the BMW Group's "New Class" models. As part of the preparations, the focus is on the initial series production system, which is to be installed in Neuffen and will produce the first parts in 2025. With this in mind, R&D activities were also closely linked to preparatory work for series production. The start of series production of cell contacting systems for a global battery manufacturer in 2024 had been postponed by the customer. As a result, the actual ramp-up trajectory is now steeper than originally planned.

The objective of improving battery safety was successfully achieved in the period under review. As regards battery components, a parameterizable standard platform battery management system was developed on the basis of a customer project in the financial year just ended. In addition, the design of the cell covers was further refined and transferred to the new design of the so-called unified cell. In an effort to ensure that the company is favorably positioned for ramp-ups and series production orders, new prototyping processes are being introduced and continuously improved within the organization. In 2024, ElringKlinger announced its plans to open a Battery Center in Easley, SC, USA. The focus of ElringKlinger's production at the new premises will be on battery technology products, the aim being to evolve the site into a battery hub for the American market.

EKPO's path to the future

Following many years of extensive research and development in the field of fuel cell technology, the ElringKlinger Group decided to consolidate its expertise within EKPO Fuel Cell Technologies GmbH (EKPO). This subsidiary, which is based at the main site in Dettingen/Erms, Germany, commenced operations in 2021. Since then, EKPO has continuously and successfully advanced the production of fuel cell components and stacks. Over the course of the 2024 financial year, the company further stepped up its extensive development activities with a view to accelerating the series production of components and systems. In this context, it was able to unveil its most powerful fuel cell module, the NM20, at the IAA trade show in Hanover, which served as testament to EKPO's innovatory prowess and commitment. Among the key features of the new stack are a high degree of efficiency, reduced hydrogen consumption, the capacity for higher operating temperatures, recyclability, and a long service life. This is made possible by the high power density of the stacks, a characteristic feature of EKPO-engineered products, which have undergone significant enhancement compared to previous generations. The development and commercialization of the NM20 are funded by the Federal Ministry for Digital and Transport and the Baden-Württemberg State Ministry of the Environment as part of the "Hy2Tech" IPCEI hydrogen program.

The company's R&D efforts also yielded tangible results in other areas of application. In addition to investments directed at the production of the NM20 module, considerable funds were also allocated to the expansion of production capacity for bipolar plates in the reporting year. The single largest investment related to a PVD coating system that was specially developed for high-volume production processes.

In addition to pursuing its ongoing technology development programs, the Group secured and processed development orders placed by customers in 2024. These were also reflected (in whole or in part) in research and development efforts in the period under review. In the reporting year, EKPO attracted several new customers with smaller volume projects, in addition to receiving a series production order from a major global automotive manufacturer, covering the development and supply of bipolar plates. The company also pressed ahead with work on an OEM order to develop a customized fuel cell stack. In June 2024, EKPO completed the delivery of an NM12 stack for stationary power generation at the European Spaceport in French Guiana, a project handled in cooperation with Belgian system generator MITIS.

Lightweighting/Elastomer Technology: innovative solutions for e-mobility and universal applications

Reducing vehicle weight remains a key factor when it comes to scaling back CO_2 emissions. Lower weight not only helps to cut fuel and energy consumption; it also reduces tire wear, which further minimizes the overall impact on the environment. Lightweighting is also considered to be of great importance in the ongoing electrification of mobility, as a lower weight significantly increases the range of electric vehicles.

In 2024, the focus with regard to refinements within the business unit was on the ElroSafe™ underbody protection products, the Lightweight Components product group, and concepts for plastic battery housings. The company also launched new products as part of various sealing and plastic component projects. In further refining these products, the Lightweighting/Elastomer Technology business unit continued to focus on the R&D priorities it had set last year. The ElroSafe™ underbody guard not only provides thermal and acoustic protection but also shields the battery at high speeds. Another important aspect of ElroSafe™ technology is its complete recyclability, which makes a significant contribution to sustainability.

The innovative construction of ElringKlinger's cockpit cross-car beams and front-end carriers enables significant weight reductions. Other key factors alongside weight are value for money, design, and reproducible product quality. ElringKlinger recently won the SPE Award for a cockpit cross-car beam manufactured in cooperation with Lucid Motors. In the 2024 financial year, both the customer base and the product portfolio of the business unit were expanded as part of customized refinements and adaptations to lightweight structural components that are currently in high demand.

In particular, as in previous years, the developers on the elastomer sealing technology team worked on products for battery electric vehicles. In addition, the business unit secured new contracts from Asian car manufacturers, underscoring the international recognition and demand for the company's advanced solutions. The strong level of demand for sealing technology used in electric vehicles illustrates the progress the business unit has made in the context of industry transformation.

Innovative solutions for electromobility: Metal Forming & Assembly Technology

In the financial year under review, the Metal Forming & Assembly Technology business unit again focused on efforts to enhance ElroForm™ product solutions for electromobility applications. In 2024, the emphasis was primarily on executing projects awarded in 2023 and presenting the new product groups to existing and potential new customers in the global EV markets. In this context, valuable contacts were established with the "Big Three" in the United States and with major German OEMs. A large proportion of orders within the business unit are now attributable to the ElroForm™ product group. Another focal point in the financial year under review was the development of battery shielding to reduce the consequences of potential thermal runaway at module and pack level and to prevent thermal propagation at cell and module level. These products are brought together under the ElroForm™ TP brand.

Building on this success within the market, the business unit is able to adapt its product portfolio to the needs of electromobility customers. Thanks to decades of expertise in design-to-cost and sound design in the field of metalworking, the business unit manufactures technically and commercially optimized products that offer enhanced benefits for customers. Several projects of this kind have already culminated in series production orders. Within the ElroForm™ product group, the business unit also developed ultra-lightweight metal components with significantly improved forming properties. These components provide the basis for the production of parts that boast the low weight of aluminum but could previously only be manufactured, from a design perspective, by using steel, a considerably heavier material.

In 2024, the Metal Forming & Assembly Technology business unit again focused mainly on metal components for electromobility that have to meet specific additional requirements, such as their electrical or thermal insulation properties. This brings the business unit closer to its goal of successfully bringing its existing product portfolio to market and meeting customers' needs in the best possible way.

Metal Sealing Systems & Drivetrain Components: focusing on innovation and progress

In the 2024 financial year, R&D activities in the Metal Sealing Systems & Drivetrain Components business unit were again aimed at supplementing and enhancing the product portfolio with regard to alternative drive systems and drivetrain-independent components. In the reporting year, the focus of development activities continued to be on the refinement of rotor/stator technologies and on an innovative (solid) steel brake disc. The activities relating to these focal points drew on existing expertise in sealing and forming technology, the result of which was significant progress in new drive technologies. The Group is also making efforts to apply its capabilities to other vehicle components and thus add them to its technology portfolio. The Metal Sealing Systems & Drivetrain Components business unit stepped up its development work on drivetrain-independent products in the reporting year.

Engineered Plastics: customized solutions for a wide range of industries

The Engineered Plastics unit manufactures components made from high-performance plastics that are used in a wide range of industries. Among other things, these include medical technology, mechanical engineering, the food industry, and the automotive sector. The materials used as well as the applications themselves are always individually tailored to the needs of the customer and the requirements of the respective industry, which also applies to the ongoing refinement of the products. In 2024, the segment focused on evolving the areas of e-mobility, foodstuffs, and hydrogen but also on new applications such as energy storage systems and semiconductors.

The focus of research and development in the financial year under review was on developing significant new products and materials and refining existing ones. In the area of material development, the Engineered Plastics business unit worked intensively on the development and validation of non-fluoroplastics in order to comply with the global restrictions on PFAS and meet more extensive customer requirements. The team also continued its efforts to refine existing materials for hydrogen electrolysis applications.

In the area of product development, the focus was on creating alternative sealing systems for hydrogen electrolysis and on developing solutions for charge dissipation for high-voltage systems in the field of electromobility. The emphasis was on optimizing sealing systems for thermal management for the purpose of improving the efficiency of alternative drives and battery temperature control. These innovations underscore the company's commitment to promoting forward-looking technologies and meeting the needs and requirements of customers.

Macroeconomic Conditions and Business Environment

Displaying restrained momentum and expanding by 3.2%[5], the global economy continued on its modest growth trajectory in 2024. Among the major economies, the United States and India saw tangible growth, whereas the eurozone remained subdued and growth in China slackened. While the retreat of inflation proved sluggish, central banks in the United States and Europe were prompted to initiate a reversal of interest rate policy. Global vehicle production trended lower in 2024, recording a slight overall decline of 1.1% compared to the previous year's figure.

Global economic growth in 2024 was fueled in particular by the services sector, while industrial production and the trade in goods expanded only slightly at an international level. Prices accelerated at a less pronounced rate worldwide. However, the decline in core inflation (excluding energy and food) was less palpable in the wake of stubbornly high prices for services in particular. Global inflation stood at 5.5%[6]. Toward the end of the year, it edged closer to the two percent target set by central banks in the eurozone and the United States. In response to this and in an effort to stimulate economic activity, the major central banks in the United States and Europe initiated a cautious turnaround in interest rate policy. Over the course of the year, the Federal Reserve (United States) reduced the upper end of its target range for the benchmark federal funds rate from 5.5% to 4.25%, while the European Central Bank lowered its key interest rate from 4.5% to 3.15%.

The international economies developed along different lines in the financial year under review. While the US economy was bolstered by solid consumer spending among private households, but also by government consumption and private investment, and continued on its path of expansion, the economy in the eurozone again lacked momentum. This was attributable in part to persistently unfavorable financing terms and anemic consumer

GDP growth
Year-on-year change (in %)

Region	2023	2024
World	**3.3**	**3.2**
Advanced economies	1.7	1.7
Emerging and developing countries	4.4	4.2
Eurozone	0.4	0.8
Germany	-0.3	-0.2
USA	2.9	2.8
Brazil	3.2	3.7
China	5.2	4.8
Indien	8.2	6.5
Japan	1.5	-0.2

Source: International Monetary Fund (Jan. 2025)

[5] Gross domestic product (GDP), International Monetary Fund (IMF), Jan. 2025
[6] Source: HSBC

Light vehicle production

	Million units		Year-on-year change
Region	2023	2024	
Europe[1]	17.3	16.3	-6.0%
China	29.0	30.1	3.6%
Japan/Korea	12.8	12.0	-6.3%
Middle East & Africa	2.3	2.2	-2.7%
North America	15.7	15.4	-1.5%
South America	2.9	3.0	1.7%
South Asia	9.8	9.6	-2.0%
World	**90.5**	**89.5**	**-1.1%**

[1] Without Russia
Source: S&P Global Mobility (Feb. 2025)

spending. In 2024, Germany experienced another year of recession and, in particular, sluggish productivity growth in the manufacturing sector. The German economy is having to contend with high energy costs and growing competition in the export sector, among other factors.

Underpinned by the government's stimulus program, the Chinese economy met the official growth target set for 2024. Downside factors such as those associated with the troubled real estate sector and weak domestic demand were offset in part by buoyant exports and robust industrial production.

Geopolitical events also posed challenges for the global economy in 2024. For instance, the conflict in the Middle East, the ongoing war in Ukraine, and deteriorating trade relations, particularly between the United States, China, and the European Union, gave rise to considerable uncertainty, coupled with additional public spending and new trade barriers. Container freight prices increased as a result of the unrest in the Red Sea region.

Global vehicle production slightly down year on year

According to figures released by industry data service provider S&P Global Mobility, global production of light vehicles (passenger cars and light commercial vehicles) fell by 1.1% in 2024. On the back of strong growth of almost 10% in the preceding year, partly as a result of backlog effects from previous periods, this was a sharp slowdown. This trend reflects the complex situation with regard to sluggish macroeconomic performance in many regions as well as uncertainty surrounding incentive measures, technologies, and economic policy. China, the largest single market, recorded a relatively modest increase in passenger car production, albeit from a high base. North America saw a slight downturn, while the percentage decline in Europe and Japan was in the mid-single-digit range. Global production by German manufacturers fell by around 3%, although domestic production remained stable.

Strong growth in new car and light vehicle registrations

Measured on the basis of new registrations in 2024, the international passenger car sales markets developed favorably for the most part. Nevertheless, the levels recorded in both Europe and the United States were still below those seen in the last pre-crisis year of 2019. Mirroring the macroeconomic situation, Europe only recorded a slight increase compared to the previous year, while sales in other core markets rose more sharply. In Germany, sales of new passenger cars again declined slightly compared to the previous year, which had already been weak. The expiry of a government incentive program for electric cars in 2023 had a dampening effect on the electric vehicle market in particular. The Chinese automobile market registered a new all-time high, most recently boosted by an extended scrappage scheme for the purchase of so-called NEVs ("New Energy Vehicle" – i.e., electric vehicles). India's market for passenger cars consolidated its position as the third largest single market in the world, having remained on a consistent growth trajectory, while sales in Brazil and Mexico also trended higher year on year. Japan brought up the rear of the major sales regions with a significant decline in market activity.

According to data published by the German Association of the Automotive Industry (Verband der Automobilindustrie – VDA), new registrations/sales and the year-on-year changes relating to 2024 were as follows: Europe (EU, EFTA, and UK) recorded new car registrations of around 13.0 million (0.9%), of which 2.8 million (-1.0%) were in Germany. In China, the figure stood at 23.0 million (5.9%), in India at 4.3 million (4.2%), and in Japan at 3.7 million (-6.7%). Light vehicle sales (passenger cars and light commercial vehicles) in the United States amounted to 15.9 million, an increase of 2.2%, while sales in Brazil rose by 14.1% to 2.5 million.

Downturn in commercial vehicle production

Against the backdrop of economic slowdown, the global commercial vehicle sector recorded a noticeable decline compared to the previous year's production figures. According to industry data provider S&P Global Mobility, around 3.0 million medium and heavy commercial vehicles were produced in 2024, a downturn of 8.1% on the previous year. With the exception of South America, which is dominated by Brazil, all regions trended lower year on year. In this context, the segment relating to heavy commercial vehicles (Class 8 or 16 tons and above), accounting for around 2.2 million vehicles, was of particular significance. The decline in production within the category of heavy commercial vehicles was around -24% to 426.7 thousand units in Europe, of which around -30%, down to 72.1 thousand units, was attributable to Germany, while output in North America fell by approx. -8% to 312.8 thousand units and production in China declined by around -4% to 915.6 thousand units.

Important Events

Among the notable events relating to the ElringKlinger Group in the 2024 financial year were the change at the helm of the Supervisory Board, which has thus been headed by Helmut P. Merch since May, as well as the establishment of a Battery Center in the United States and the strategic divestments of the sites in Sevelen, Switzerland, and Buford, USA.

Helmut P. Merch appointed as new Chairman of the Supervisory Board of ElringKlinger AG

On May 16, 2024, Helmut P. Merch, who had previously chaired the Audit Committee, took over as Chairman of the Supervisory Board of ElringKlinger AG from Klaus Eberhardt. Helmut P. Merch has been a member of the Supervisory Board of ElringKlinger AG since July 2020. In March 2024, Klaus Eberhardt had announced his intention to step down from his position and relinquish his mandate at the end of the 2024 Annual General Meeting to pass on the chairmanship to younger hands.

As proposed by the Supervisory Board, the Annual General Meeting on May 16, 2024, elected Ludger Heuberg as a new member of the Supervisory Board. Ludger Heuberg has held the position of CFO for several large companies and can draw on many years of experience in the automotive sector.

SHAPE30 Group strategy

In an effort to help successfully shape the transformation of the automotive industry, ElringKlinger set out its existing Group strategy, already applicable for 2023, within an integrated concept entitled SHAPE30 and published the associated targets – together with the key factors for achieving them by the end of the decade – on its company website in the 2024 financial year (cf. "Overview of ElringKlinger's Activities and Structure").

Establishment of Battery Center in the United States

Established in June 2024, the Group company ElringKlinger South Carolina, LLC., based in Easley, SC, USA, represents the next step in the implementation of the Group's SHAPE30 transformation strategy. The plan is for the site to primarily manufacture battery technology products as from 2025 and to be expanded into a Battery Hub for the American market. In this context, ElringKlinger has already secured its first high-volume series production nomination.

Strategic divestment of the sites in Sevelen, Switzerland, and Buford, Georgia, USA

In the third quarter of 2024, Group management took the strategic decision to effect the divestment of the two subsidiaries ElringKlinger Switzerland AG, with its registered office in Sevelen, Switzerland, and ElringKlinger USA, LLC., with its registered office in Buford, GA, USA. The sale to the Certina Group, based in Germany, was signed on October 7, 2024, and closed at the end of the fourth quarter of 2024. This transaction is to be seen against the backdrop of far-reaching changes in the automotive industry and ElringKlinger's efforts to hone its profile in this environment of transition. The transaction is to be viewed in the context of the substantial investments required for the process of transformation in certain areas in order to remain competitive. In ElringKlinger's case, this related primarily to the area of thermal and acoustic shielding, particularly in Europe and North America, as a result of which a decision was made in favor of divestment.

Wide-ranging growth in e-mobility

Nominations for orders relating to battery and fuel cell technology as well as an upturn in revenue from the production of battery components in the 2024 financial year (cf. "Sales and Earnings Performance") are testimony to ElringKlinger's successful e-mobility strategy. For example, Group subsidiary EKPO Fuel Cell Technologies GmbH, Dettingen/Erms, Germany, presented its most powerful stack module, the NM20, for heavy-duty applications at the international flagship trade show IAA Transportation in September 2024. This IPCEI project is funded by the Federal Ministry for Digital and Transport and the Baden-Württemberg Ministry of the Environment.

Sales and Earnings Performance

Operating within a challenging market environment, ElringKlinger recorded Group revenue of around EUR 1.8 billion in the 2024 financial year, which corresponds to a slight year-on-year decline of 2.4%. In organic terms, revenue dipped by 0.9% or EUR 15.9 million in the period under review. Exceptional items amounting to EUR 238 million had a significant negative impact on earnings. The Group recorded adjusted EBIT of EUR 87.6 million in the financial year under review. With an adjusted EBIT margin of 4.9%, ElringKlinger met its guidance for the 2024 financial year.

Factors influencing Group revenue

in EUR million	2024	2023	Change, absolute	Change, relative
Group revenue	**1,803.1**	**1,847.1**	**-44.0**	**-2.4%**
of which FX effects			-28.1	-1.5%
of which M&A			0.0	0.0%
of which organic			-15.9	-0.9%

Organic revenue down slightly at -0.9%

Against the backdrop of challenging economic and industry-specific conditions, ElringKlinger generated Group revenue of EUR 1,803.1 million in the 2024 financial year (2023: EUR 1,847.1 million), down EUR 44.0 million or -2.4% on the prior-year figure. Revenue momentum was curbed noticeably by a downturn in the market, particularly in the high-revenue region of Europe, as well as adverse exchange rate movements.

The drag on revenue caused by exchange rate movements in the reporting year was equivalent to EUR -28.1 million or -1.5%. The direction taken by exchange rates for the Swiss franc and the British pound had a positive impact on revenue, while the Turkish lira, the Brazilian real, the Mexican peso, and the Japanese yen had contrary effects. Excluding the effects of exchange rate changes, i.e., organically, revenue declined by EUR 15.9 million or 0.9%. ElringKlinger thus met its guidance, as announced in October, ("organic growth slightly below prior-year figure") for the 2024 financial year. Originally, the outlook had been for slight organic revenue growth. The trajectory of organic revenue therefore also roughly corresponded to that of the global market. According to data released by industry service provider S&P Global Mobility, light vehicle production fell by 1.1% in 2024.

Revenue growth was influenced by both currency effects and other macroeconomic factors. In contrast to North America and Europe, Asia-Pacific represented a growth region for the automotive industry. The share of revenue generated in the Group's home market of Germany increased by 290 basis points.

Revenue down in Europe and North America

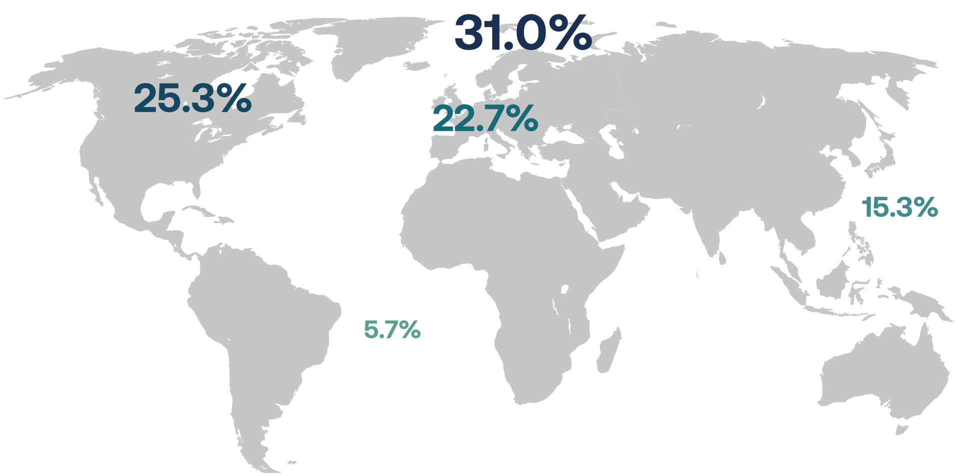
In line with market developments, the region comprising the Rest of Europe recorded a decline in revenue in the 2024 financial year but performed slightly better than the market as a whole with a swing of EUR -22.1 million or -3.8% to EUR 558.8 million (2023: EUR 580.9 million). Accounting for 31.0% of Group revenue (2023: 31.4%), as in the previous year this region is the Group's largest. Revenue generated in the Rest of Europe was impacted by the effects of exchange rates in 2024. Adjusted for these currency effects, revenue fell by just 2.1% compared to the previous year.

In North America, revenue fell by 5.4% or EUR 26.1 million in the 2024 financial year. The Group thus posted revenue of EUR 455.9 million in this region (2023: EUR 482.0 million). With a share of 25.3% (2023: 26.1%), ElringKlinger generates more than a quarter of Group revenue in this region – the percentage share was thus just short of the prior-year figure. Eliminating exchange rate effects, revenue in this region was down by 4.2%.

Further growth in South America and Rest of the World

The region comprising South America and Rest of the World again produced a marked percentage increase in revenue for ElringKlinger during the 2024 financial year. The Group saw revenue expand by EUR 6.3 million or 6.5% to EUR 103.3 million (2023: EUR 97.1 million). The direction taken by exchange rates acted as a brake on growth. Adjusted for currency effects, revenue increased by 13.4%. Overall, the share of Group revenue was up at 5.7%, compared to 5.3% in the previous year.

Group revenue by region 2024



in EUR million (previous year)

Rest of Europe	**558.8**	(580.9)
North America	**455.9**	(482.0)
Germany	**410.1**	(366.3)
Asia-Pacific	**275.1**	(321.0)
South America and Rest of the World	**103.3**	(97.1)

Strong growth in Germany, decline in revenue in Asia-Pacific

In the region covering Germany, ElringKlinger recorded significant growth of EUR 43.8 million, or 11.9%, in the year under review, due in part to the ramp-up of a large-volume order for cell contacting systems and an increase in revenue attributable to Aftermarket sales. In the period under review, the Group generated revenue of EUR 410.1 million in Germany (2023: EUR 366.3 million). Thus, the overall proportion of domestic revenue stood at 22.7% in the financial year under review (2023: 19.8%). Correspondingly, the share of Group revenue generated abroad was down on the previous year at 77.3% (2023: 80.2%).

At +0.1%, automotive production in the Asia-Pacific region trended more or less sideways in 2024. The Group generated revenue of EUR 275.1 million in this region in the reporting year (2023: EUR 321.0 million). Exchange rate effects played a minor role in this region in the period under review. The share of total Group revenue generated in this region thus fell to 15.3% (2023: 17.4%).

Original Equipment segment remains solid

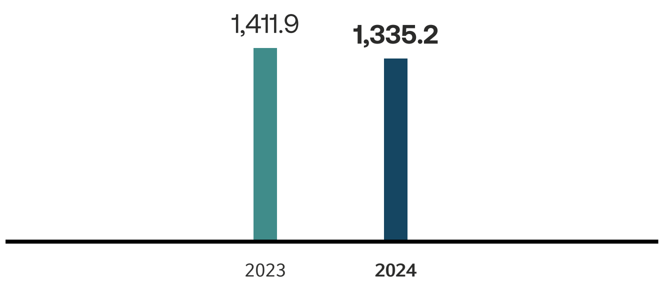
In the period under review, the Original Equipment segment recorded revenue of EUR 1,335.2 million, compared to EUR 1,411.9 million in 2023. This corresponds to a decline of EUR 76.7 million, which was attributable to challenging industry conditions in 2024. Accounting for 74.1% (2023: 76.4%) of total revenue, Original Equipment constitutes the largest segment of the ElringKlinger Group.

Within the segment, the Metal Sealing Systems & Drivetrain Components business unit generated revenue of EUR 466.4 million (2023: EUR 497.8 million), a downturn of EUR 31.4 million. Remaining the Group's largest business unit in terms of revenue share, Lightweighting/Elastomer Technology recorded revenue of EUR 499.9 million in the 2024 financial year (2023: EUR 580.0 million). The Metal Forming & Assembly Technology business unit generated revenue of EUR 266.4 million in 2024 (2023: EUR 284.6 million). The segment's remaining revenue amounted to EUR 0.1 million in the financial year under review (2023: EUR 1.2 million). The activities here were mainly centered around components for exhaust gas aftertreatment.

E-Mobility revenue doubled

The E-Mobility business unit brings together the Group's activities in the field of battery and fuel cell technology as well as in the area of electric drive units (Drivetrain Technology). At EUR 102.5 million (2023: EUR 48.3 million), the business unit more than doubled its revenue compared to the previous year. In this context, the large series production order placed by a global battery manufacturer made a significant contribution to revenue growth. This is in keeping with the objectives defined in the SHAPE30 transformation strategy, under which ElringKlinger has set itself the goal, among other things, of achieving strong revenue growth in the E-Mobility segment. The E-Mobility business unit is scheduled to break even in 2027.

Revenue in the Original Equipment segment
in EUR million



Strategic measures in the Original Equipment segment

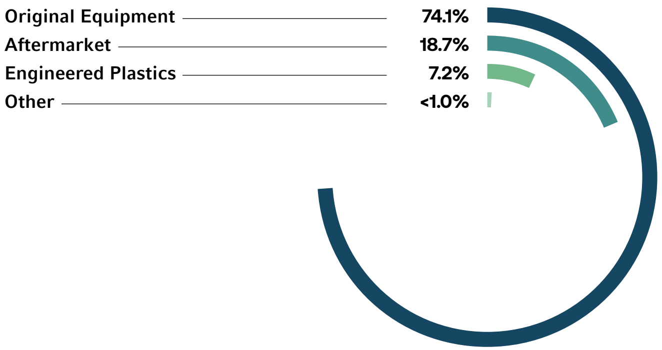
For the 2024 financial year, the Group accounted for impairment losses, restructuring expenses, and other non-operating effects, in particular with regard to the sale of the two entities in Switzerland and the United States, the termination of system business for electric drive units, and the discontinuation of production activities at two sites. These are fully attributable to the Original Equipment segment. Beyond this, the direction taken by material prices had a positive impact on segment earnings. By contrast, higher staff costs and ramp-up costs for additional series production orders in the E-Mobility business unit had a negative impact. Overall, the adjusted segment EBIT amounted to EUR -1.4 million (2023: EUR 9.9 million). The adjusted EBIT margin was -0.1% (2023: 0.7%).

Aftermarket again posts strong revenue growth

The Aftermarket segment pressed ahead with its growth strategy, focusing in particular on the Americas and Europe. In the financial year just ended, revenue was up at EUR 336.3 million, compared to a figure of EUR 300.1 million in 2023.This corresponds to year-on-year revenue growth of 12.1% in 2024. The expansion in revenue was driven by all major sales regions. The steady expansion of the product portfolio and consistently high product availability also had a positive impact on revenue. The Aftermarket segment is the Group’s second largest, accounting for 18.7% (2023: 16.2%) of Group revenue.

On the back of revenue growth and sustained cost discipline, adjusted EBIT further improved to EUR 76.7 million (2023: EUR 71.7 million), which – due to the disproportionately large increase in revenue – corresponds to an adjusted EBIT margin of 22.8% (2023: 24.0%).

Group revenue by segment and business unit 2024



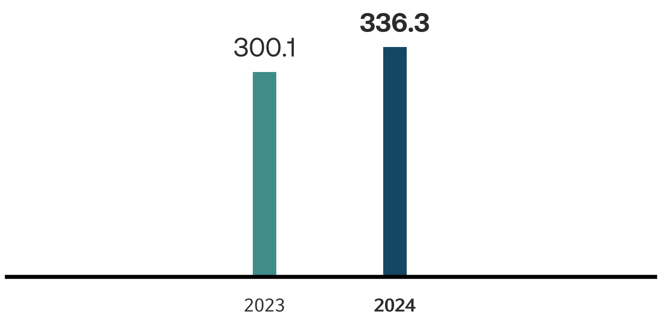
in EUR million (previous year)		
Original Equipment	1,335.2	(1,411.9)
– Lightweighting/Elastomer Technology	**499.9**	(580.0)
– Metal Sealing Systems & Drivetrain Components	**466.4**	(497.8)
– Metal Forming & Assembly Technology	**266.4**	(284.6)
– E-Mobility	**102.5**	(48.3)
– Other	**0.1**	(1.2)
Aftermarket	**336.3**	(300.1)
Engineered Plastics	**130.0**	(132.3)
Other	**1.6**	(2.9)

Engineered Plastics with stable revenue

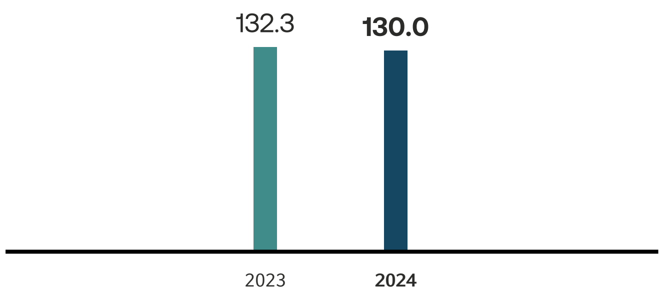
Despite weaker economic momentum, the Engineered Plastics segment proved robust in the reporting year, partly due to its broad industry mix. Overall, slightly higher staff costs contrasted with marginally lower prices for fluoropolymers in the period under review. With revenue totaling EUR 130.0 million (2023: EUR 132.3 million), the segment was roughly on a par with the previous year.

Higher expenditure on research and development as part of the segment’s transformation had a material influence on earnings compared to the previous year. In addition, the price of high-performance plastics such as fluoropolymers was at a persistently elevated level, which had an impact on costs. The segment generated adjusted EBIT of EUR 10.7 million in the financial year under review (2023: EUR 16.6 million). As a result, the adjusted EBIT margin stood at 8.3% (2023: 12.5%).

Revenue in the Aftermarket segment
in EUR million



Revenue in the Engineered Plastics segment
in EUR million



Other segment

Revenue in the segment referred to as Other, which mainly comprises services provided by various subsidiaries, totaled EUR 1.6 million in the reporting year (2023: EUR 2.9 million). Adjusted EBIT amounted to EUR 1.3 million in the financial year under review (2023: EUR 1.9 million).

Gross profit margin up by 30 basis points

Compared to revenue, which declined by 2.4%, the cost of sales fell at a more pronounced rate. In total, it stood at EUR 1,404.0 million in the period under review (2023: EUR 1,444.3 million). Although this resulted in a slight year-on-year decline in gross profit in absolute terms at EUR 399.1 million (2023: EUR 402.8 million), the gross profit margin increased by 30 basis points to 22.1% (2023: 21.8%).

Alongside factors relating to the product mix, this was attributable primarily to lower material prices, which had previously spiraled rapidly and across the board to elevated levels following the disruptions and supply-side bottlenecks caused by the pandemic, the outbreak of war in Ukraine, and other factors such as the Suez Canal disaster. Despite some easing in price-related pressures in the period under review, prices remained above pre-pandemic levels overall. The downward trend in prices during the financial year was also reflected in expenses for some raw materials and energy. Compared to the previous year, prices trended lower in the 2024 financial year, particularly for steel and plastic, and remained at a consistently low level over the course of the year. However, this easing of prices did not apply to all raw materials used by ElringKlinger in production: Prices for aluminum and elastomers remained at a comparable level to the previous year due to movements in market prices over the course of the financial year.

As part of its manufacturing processes, the ElringKlinger Group mainly uses raw materials such as aluminum, alloyed high-grade steels (and especially chromium-nickel alloys), carbon steels, polyamide-based polymer granules, i.e., pellets, such as PA6.6, elastomers, and – in the Engineered Plastics segment – polytetrafluoroethylene (PTFE). In addition, materials and components required for the production of battery and fuel cell systems are also becoming increasingly important. The Group uses aluminum primarily in the production of shielding parts within the Metal Forming & Assembly Technology business unit. High-grade steels and their alloys are deployed in the Metal Sealing Systems & Drivetrain Components business unit, while plastic granules, i.e., pellets, and elastomers are used in the Lightweighting/Elastomer Technology business unit.

The ElringKlinger Group continues to employ a broad range of instruments to counter volatility and the general upward trend in prices. This includes, for example, price escalation clauses in customer contracts through which price changes relating to commodities are passed on to the customer. In addition, the Group concludes hedging transactions where this is possible on the basis of corresponding reference figures. In the area of procurement, the Group consistently pursues various strategies to optimize material costs via contract parameters such as duration and volumes.

In total, the cost of materials amounted to EUR 757.0 million in the financial year just ended (2023: EUR 826.0 million). Against the backdrop of the above-mentioned market developments, the Group once again improved its cost-of-materials ratio (cost of materials in relation to Group revenue) by 270 basis points to 42.0% (2023: 44.7%), although it nevertheless remains at a high level.

Staff costs are accounted for in various functional categories of the income statement. They amounted to EUR 603.0 million in the period under review (2023: EUR 587.8 million). Compared to the previous year, they were up by EUR 15.2 million or 2.6%, which is primarily due to collectively agreed wage and salary increases and a slight increase in the headcount, particularly in Germany. Staff costs also include expenses for the planned decommissioning of the two sites in Germany and the United States. Expressed as a ratio, staff costs in relation to Group revenue were up marginally on the prior-year figure at 33.4% in 2024 (2023: 31.8%).

Selling expenses increased by 2.3% or EUR 3.5 million to EUR 155.9 million in the financial year just ended (2023: EUR 152.4 million), which was primarily due to higher staff costs.

General and administrative expenses amounted to EUR 103.9 million in 2024 (2023: EUR 90.3 million), up significantly on the prior-year figure. This was attributable primarily to digitalization costs.

R&D ratio at 5.3% and within guidance range

In an effort to help shape the transformation process in the field of mobility, ElringKlinger's goal for 2025 is to spend 4 to 6% of revenue (including capitalized development costs) on research and development (R&D), thereby investing in the future of the Group. In the financial year under review, the Group focused its R&D activities on the strategic fields of the future: battery and fuel cell technology, components for electric drive units, and lightweight structural engineering.

The ElringKlinger Group expanded its research and development expenses to EUR 74.4 million in the year under review (2023: EUR 69.0 million). In addition, it recorded EUR 20.8 million (2023: EUR 27.1 million) in capitalized costs meeting the relevant criteria for recognition. This resulted in a capitalization ratio of 21.8% (2023: 28.2%). In the financial year under review, amortization and impairment losses amounted to EUR 64.6 million (2023: EUR 4.8 million) with regard to capitalized development costs; they were included in full in the cost of sales. Including capitalized development costs, the R&D ratio (i.e., R&D costs in relation to Group revenue) of 5.3% (2023: 5.2%) was just slightly higher than that recorded in the previous year and was within the 2024 target corridor of around 5 to 6% of Group revenue.

ElringKlinger Group receives funding from two IPCEI programs

The ElringKlinger Group again received public funding in support of its R&D activities in the financial year just ended. Funds granted for R&D projects recognized in the income statement under other operating income amounted to EUR 4.7 million (2023: EUR 5.5 million). Funding received with regard to EKPO included the two major IPCEI projects European Battery Innovation ("EuBatIn" for short) and "IPCEI Hydrogen". As the Group does not receive any funding without incurring its own expenses, all public grants recognized in profit or loss in 2024 coincided with project-related expenses for development and prototyping in the corresponding amount.

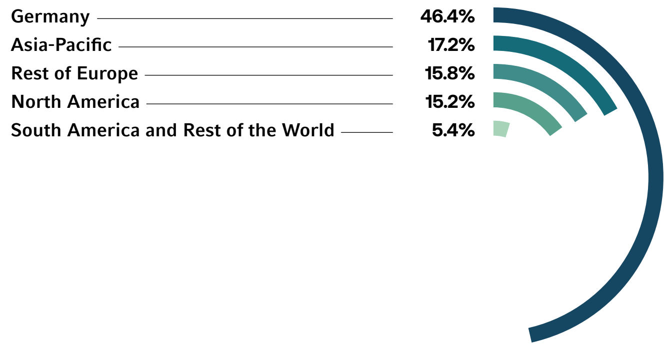
Other operating income, which includes income from the disposal of non-current assets, government grants, and third-party cost reimbursements, amounted to EUR 19.8 million in the financial year under review, EUR 1.9 million higher than in the previous year (2023: EUR 17.9 million). In this case, higher gains on the disposal of non-current assets had a positive effect.

At EUR 234.7 million (2023: EUR 26.1 million), other operating expenses in the 2024 financial year were significantly higher than in the previous twelve-month period. This was driven primarily by impairment losses relating to intangible assets and property, plant, and equipment in the amount of EUR 170.7 million as well as expenses from deconsolidation in the amount of EUR 43.7 million. These accounting measures are the result of the Group's strategic decisions to focus on profitable business and discontinue loss-making activities. In this context, for example, the Group sold the entities in Sevelen, Switzerland, and Buford, GA, USA, is discontinuing operations at two further sites in Thale, Germany, and Fremont, CA, USA, and is no longer pursuing system business for electric drive units.

Headcount up slightly

Compared to the previous year, the Group headcount as of December 31, 2024, decreased to 9,078 (Dec. 31, 2023: 9,576), which was primarily due to the deconsolidation of the two entities in Sevelen, Switzerland, and Buford, GA, USA. Acknowledging the process of transformation, the Group made a point, among other things, of taking a prudent approach to filling vacant positions and focused on expanding its headcount in strategic fields of the future. The headcount in Germany and South America and Rest of the World rose in line with regional revenue trends. Staffing levels in the Asia-Pacific and North America regions were down even after adjusting the figures for deconsolidation. At the end of the year, the headcount for Germany stood at 4,214, representing 46.4% of the Group's total workforce (excluding the two divested entities). The number of people employed abroad was 4,864, corresponding to a share of 53.6%. The annual average number of employees within the ElringKlinger Group was 9,596 (2023: 9,600). The employees at the Buford and Sevelen plants are no longer part of the Group as of December 31, 2024, due to the divestment of the two subsidiaries. Staff costs in relation to total operating revenue rose to 33.4% (2023: 31.8%).

ElringKlinger Group employees



as of December 31, 2024 (previous year)

Germany	4,214	(4,074)
Asia-Pacific	1,566	(1,599)
Rest of Europe	1,430	(1,746)
North America	1,380	(1,701)
South America and Rest of the World	488	(456)

Adjusted EBIT margin at target level in 2024

Earnings performance was influenced by various factors in the period under review. On the one hand, changes in the materials price trajectory and further growth in the Aftermarket business had a positive impact on earnings, while higher staff costs and challenging conditions in the market for high-performance plastics had a detrimental effect on earnings. In total, ElringKlinger recorded EBITDA of EUR 144.0 million in the 2024 financial year (2023: EUR 200.3 million). After accounting for non-recurring items in EBITDA, primarily associated with the sale of the two entities in the United States and Switzerland, the adjusted figure was EUR 197.1 million. Depreciation, amortization, and impairments of non-current assets totaled EUR 294.1 million in the financial year under review (2023: EUR 117.4 million).

Despite the challenging conditions, the Group recorded adjusted earnings before interest and taxes (adjusted EBIT) of EUR 87.6 million in the financial year under review (2023: EUR 100.1 million). Accordingly, the adjusted EBIT margin also changed by 50 basis points to 4.9% (2023: 5.4%). On this basis, the Group met the targets set at the beginning of the year of achieving an adjusted EBIT margin of around 5% for the 2024 annual period.

As from the 2023 financial year, ElringKlinger reports adjusted EBIT in order to be able to compare operating profitability across the respective periods without the influence of exceptional factors. Therefore, non-recurring effects are eliminated accordingly. In the financial year under review, adjustments included significant impairment losses relating to non-current assets and restructuring expenses associated with the strategic measures. In total, these adjustments amounted to EUR 237.6 million. In the previous year, adjustments included, to a lesser extent, impairment losses for property, plant, and equipment and accounting items in connection with capacity adjustments as well as one-time non-operating items.

In the financial year just ended, the Group recorded EBIT of EUR -150.0 million (2023: EUR 82.9 million), corresponding to an EBIT margin of -8.3% (2023: 4.5%).

Net finance cost down markedly due to net foreign exchange result

The net interest result was influenced by a marginal increase in interest income, which contrasted with slightly higher interest expenses. Fixed interest rates were agreed for part of the Group's financial liabilities, which to some extent contained the impact of the change in interest expenses. Overall, the net interest result remained virtually unchanged, improving slightly in the financial year under review.

Adjusted EBIT margin 2024[1]

in EUR million	2024	2023	Year-on-year change
EBIT	**-150.0**	**82.9**	**-232.9**
Impairment losses	184.5	4.0	+180.5
of which goodwill impairment losses	0.0	0.0	+0.0
Restructuring	3.5	2.8	+0.7
Other non-operational effects	49.6	10.5	+39.1
Adjusted EBIT	**87.6**	**100.1**	**-12.5**
Adjusted EBIT margin	*4.9%*	*5.4%*	*-0.5 PP*

[1] A detailed definition of adjusted EBIT can be found in the „Internal Control System" section.

In the net foreign exchange result, both foreign exchange losses and foreign exchange gains increased significantly – and the latter at a more pronounced rate. This takes into account both realized and unrealized gains and losses. Unrealized gains and losses arise, for example, from the translation of foreign currency balance sheet items into the reporting currency EUR at the year-end exchange rate. The net result from currency translation improved by EUR 24.0 million to EUR 25.5 million (2023: EUR 1.5 million). At the same time, losses from associates were up on the prior-year figure. Overall, the net finance result stood at EUR 0.1 million (2023: EUR -29.7 million).

Net finance cost/income 2024

in EUR million	2024	2023	Year-on-year change
Net interest result	-25.9	-26.3	+0.4
Net foreign exchange result and other net finance result	26.0	-3.4	+29.4
Net finance result	**0.1**	**-29.7**	**+29.8**

Including the net finance result, earnings before taxes of EUR -150.0 million were significantly lower than the previous year's figure of EUR 53.2 million.

Year-on-year reduction in income tax expense

Following a change in the transfer pricing system, income tax expenses in 2024 were down year on year at EUR 13.9 million (2023: EUR 19.7 million), which corresponds to an effective tax rate of -9.3% (2023: 37.0%). After adjusting earnings before taxes on income for non-recurring items, the adjusted effective tax rate for 2024 stood at 15.9%.

After accounting for income taxes, net income for the 2024 financial year amounted to EUR -163.9 million (2023: EUR 33.5 million). Taking into account the share of net income attributable to non-controlling interests, net income attributable to the shareholders of ElringKlinger AG amounted to EUR -137.8 million in 2024 (2023: EUR 39.3 million). Accordingly, earnings per share were down significantly on the previous year at EUR -2.18 (2023: EUR 0.62). Excluding the exceptional items described above, adjusted earnings before interest and taxes (adjusted EBIT) per share amounted to EUR 0.70. As of December 31, 2024, the number of shares issued that were entitled to a dividend remained unchanged at 63,359,990.

Dividend proposal of EUR 0.15 per share

The annual financial statements of ElringKlinger AG, which were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) and the German Stock Corporation Act (Aktiengesetz – AktG) and are relevant for the payment of dividends, showed a net loss of EUR -155.0 million at the end of the reporting period (2023: net income of EUR 10.6 million).

In keeping with its balanced approach to dividend payments, the Management Board and Supervisory Board would like to ensure that shareholders benefit appropriately from the Group's performance. Given in particular the favorable prospects for the coming financial years, both boards are keen to ensure continuity with regard to the dividend policy.

In agreement with the Supervisory Board, the Management Board proposes to the Annual General Meeting that an unchanged dividend of EUR 0.15 per share (2023: EUR 0.15 per share) be paid out for the 2024 financial year.

Financial Position

The financial position of the ElringKlinger Group remained solid at the end of the 2024 financial year. The equity ratio stood at 39.0% at the end of the reporting period, while net financial liabilities were scaled back by EUR 77.3 million to a long-term low of EUR 245.9 million in 2024. The strategic reorientation of the Group, which involves a stronger focus on profitable business based on a targeted package of measures and as part of which two entities in Switzerland and the United States were sold in the fourth quarter of 2024, resulted in a noticeable reduction in the balance sheet total at the end of 2024.

Key figures financial position & other

in EUR million	Dec. 31, 2024	Dec. 31, 2023
Total assets	1,759.3	2,008.2
Equity ratio	39.0%	45.3%
Net working capital[1]	346.9	466.3
In relation to Group revenue	19.2%	25.2%
Net financial debt[2]	245.9	323.2
Net debt-to-EBITDA ratio (ditto adjusted)[3]	1.7 (1.2)	1.6 (1.5)
ROCE (ditto adjusted)[4]	-11.5% (6.7%)	5.6% (6.8%)

[1] Inventories as well as trade receivables less trade payables
[2] Current and non-current financial liabilities less cash and short-term securities
[3] Net debt/EBITDA; Adjusted figure (in brackets) calculated on the basis of adjusted EBITDA
[4] Return on capital employed; Adjusted figure (in brackets) calculated on the basis of adjusted EBIT

Total assets down amid deconsolidations and impairments

At the end of the 2024 financial year, the ElringKlinger Group had total assets of EUR 1,759.3 million (Dec. 31, 2023: EUR 2,008.2 million). This represents a decline of EUR 248.9 million, i. e. -12.4%.

This year-on-year change was influenced to a large extent by several exceptional items in the 2024 financial year resulting from strategic measures. This includes the sale of two previously wholly owned subsidiaries, namely ElringKlinger Switzerland AG, based in Sevelen, Switzerland, and ElringKlinger USA, LLC., based in Buford, GA, USA (cf. section "Important Events"). As a result of the deconsolidation of the subsidiaries and the derecognition of the associated assets and liabilities as of December 31, 2024, the balance sheet total was reduced by around EUR 125 million. In addition, impairment losses of around EUR 58 million were recognized in respect of property, plant, and equipment as part of this divestment.

Furthermore, changes in expectations relating to demand in connection with the transformation process in the automotive industry led to impairments in property, plant, and equipment and intangible assets. The strategic reorientation of ElringKlinger, driven forward by Group management with a focus on profitable business, resulted in further impairments as well as reclassifications to assets and liabilities held for sale. These measures included, for example, the decision to terminate the Group's system business relating to electric drive units. The reassessments and subsequent impairments due to changes in demand expectations also impacted a number of capitalized development costs (recognized in intangible assets).

In addition to the impairment losses recognized in connection with the above-mentioned sale of the plants, these overall transformation-related measures resulted in an impairment requirement for property, plant, and equipment and intangible assets of around EUR 125 million. The assets and liabilities held for sale had a total carrying amount of EUR 35.9 million and EUR 14.7 million respectively at the end of the reporting period and were each reported in a separate item – under assets and liabilities – in the statement of financial position.

Non-current assets account for 52 percent of total assets

Non-current assets had a carrying amount of EUR 907.7 million as of December 31, 2024 (Dec. 31, 2023: EUR 1,092.3 million), thus accounting for 51.6% (2023: 54.4%) of total assets. Of these assets, intangible assets were the second largest item on the books – after property, plant, and equipment – at EUR 122.6 million (Dec. 31, 2023: EUR 168.2 million). The year-on-year decline is mainly due to the impairment requirement described above, which amounted to EUR 58.4 million in this balance sheet item and primarily related to capitalized development projects in the Original Equipment segment. Additions in the financial year of EUR 21.6 million, with capitalized development costs accounting for the majority at EUR 20.8 million, contrasted with systematic amortization of EUR 7.9 million, of which EUR 6.4 million was attributable to development costs. Acquired goodwill, which is also recognized here, was not affected by any impairment losses, meaning that its carrying amount of EUR 79.8 million (Dec. 31, 2023: EUR 80.7 million) changed only marginally.

Property, plant, and equipment decreased by EUR 142.9 million year on year to a total carrying amount of EUR 715.1 million (Dec. 31, 2023: EUR 858.0 million). Additions accounted for in the 2024 financial year amounted to EUR 155.4 million (including additions from lease agreements). In parallel, depreciation and amortization amounted to EUR 101.7 million. The impairment losses recognized as a result of the aforementioned factors totaled EUR 126.1 million. The reduction in property, plant, and equipment at the end of 2024 was also attributable to asset disposals with a carrying amount of EUR 15.8 million and changes in the scope of consolidation, which covered a carrying amount of EUR 43.6 million and were related to the deconsolidation of the divested entities.

The decline in investments in associates to an asset value of EUR 3.4 million, down from EUR 14.1 million in the previous year, reflects the Group's reorientation described above. One of the investments recognized in this item in the previous year was affected by reclassification to the disposal group.

Non-current and current contract assets amounted to EUR 12.4 million as of December 31, 2024 (Dec. 31, 2023: EUR 13.3 million). They include contingent assets in respect of the fulfillment of performance obligations and revenues that will not be invoiced until subsequent periods and mainly relate to customer projects in the Original Equipment segment. Apart from deferred tax assets at the end of 2024, there were no significant changes in other non-current assets compared to the figure posted at the end of the previous year's reporting period.

Net working capital ratio as a percentage of revenue improves to below 20 percent

Working capital, which is made up of inventories and trade receivables and is comparable to current assets under German commercial law, fell by EUR 59.3 million to EUR 623.9 million at the end of 2024 (Dec. 31, 2023: EUR 683.2 million).

Inventories decreased by EUR 16.5 million to EUR 419.8 million (Dec. 31, 2023: EUR 436.3 million) and trade receivables were down by EUR 42.8 million at EUR 204.1 million (Dec. 31, 2023: EUR 246.9 million). Adjusted for currency effects and exceptional items relating to deconsolidation, inventories rose by around 9% year on year, while trade receivables fell slightly by around EUR 7 million. The increase in inventories is attributable, among other things, to the ramp-up of a large series production order for e-mobility applications and to tooling and development projects to be invoiced.

Net working capital is calculated by taking into account trade payables, which amounted to EUR 277.0 million (Dec. 31, 2023: EUR 216.9 million). On this basis, net working capital stood at EUR 346.9 million at the end of 2024, compared to EUR 466.3 million a year earlier. Compared to the previous financial year, it was down by EUR 119.4 million. The share of net working capital in Group revenue was thus significantly lower at 19.2% (2023: 25.2%). At EUR 42.2 million, the items deconsolidated as part of the sale of the two plants accounted for far less than half of the decline. The guidance of a net working capital ratio of "below 25% of Group revenue" stated in the combined management report for the 2023 financial year was therefore clearly met – also without the effect of deconsolidation.

"Other current assets" include a wide range of items. At the end of the financial year under review, the total carrying amount of this item was EUR 61.5 million (Dec. 31, 2023: EUR 91.4 million). This item includes receivables from third parties, tax receivables, time deposits, and securities as well as prepaid expenses. In the 2024 financial year, other current assets decreased primarily due to the scheduled contribution of EUR 20.0 million by the co-shareholder in EKPO Fuel Cell Technologies GmbH, Dettingen/Erms, Germany (EKPO for short), which had been agreed for the purpose of providing the company with capital.

Cash and cash equivalents held by the ElringKlinger Group amounted to EUR 111.7 million as of December 31, 2024 (Dec. 31, 2023: EUR 113.7 million).

Equity down due to exceptional factors

Equity held by the ElringKlinger Group decreased by a total of EUR 225.3 million to EUR 685.3 million compared to that recorded at the end of the 2023 financial year (Dec. 31, 2023: EUR 910.7 million). This is mainly due to the exceptional factors described above, most of which were recognized in profit or loss and contributed to a net loss for the period of EUR -163.9 million (2023: net income of EUR 33.5 million). In addition, there was a further dilutive effect from foreign exchange differences, which was attributable in part to deconsolidation and led to a reduction in other reserves. Including comparatively small and opposing amounts from the remeasurement of pension provisions, this had an impact of EUR -58.6 million on the statement of changes in equity.

The non-controlling interest of EUR 8.0 million from the capital contribution made by the co-owner of EKPO to this entity in the 2024 financial year was recognized in Group equity. Conversely, the dividend distribution to shareholders and non-controlling interests in respect of the preceding financial year, amounting to EUR 10.9 million (2023: EUR 13.7 million), had a dilutive effect on equity.

Despite the noticeably dilutive effects of non-recurring items on equity, ElringKlinger was nevertheless able to report an equity ratio of 39.0% (Dec. 31, 2023: 45.3%) at the end of the 2024 financial year, a figure that can be considered substantial regardless of the fact that it is no longer within the range of 40 to 50% in which it had been for many years and which remains the target of management.

Pension provisions down after remeasurement

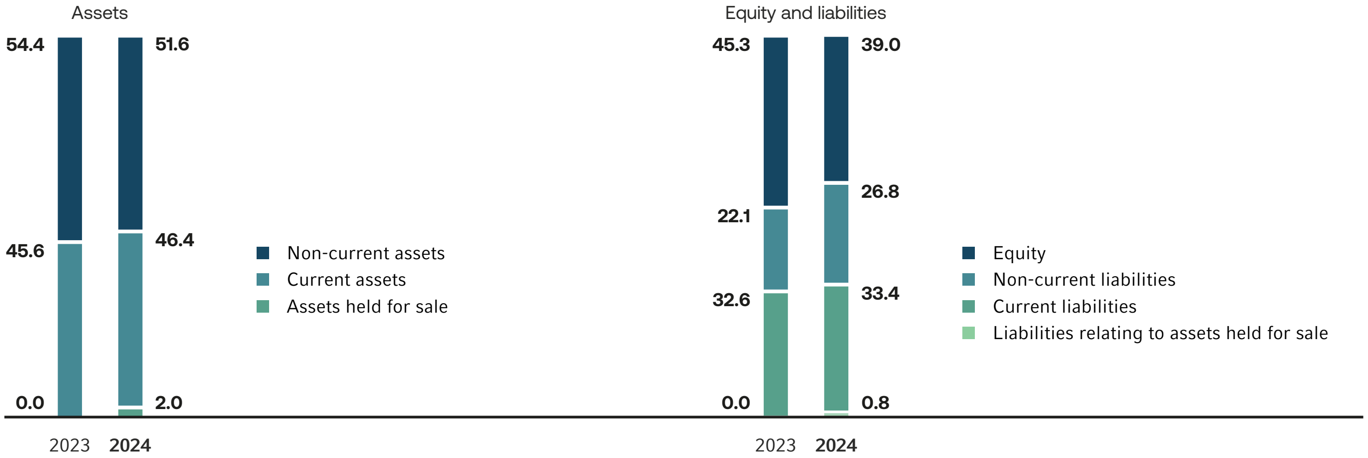
Provisions for pensions accounted for in the consolidated statement of financial position amounted to EUR 95.9 million at the end of 2024 (Dec. 31, 2023: EUR 104.0 million). Their measurement using the projected unit credit method depends on a number of factors such as discount rates and assumptions about future developments. The year-on-year decline was partly due to disposals in connection with the sale of two Group companies described above. The change in pension provisions resulting from the actuarial effect was recognized in equity (cf. Note 24 in the Notes to the Consolidated Financial Statements).

Other non-current and current provisions amounted to EUR 76.1 million at the end of the 2024 financial year (Dec. 31, 2023: EUR 74.7 million), a similar level to that recorded at the end of 2023. While current provisions fell from EUR 50.9 million to EUR 46.5 million at the end of the reporting period, non-current provisions increased from EUR 23.7 million to EUR 29.5 million. The obligations recognized under this item mainly relate to personnel, warranties, or contingent losses from customer orders.

Further reduction in net financial liabilities

Net financial liabilities, which consist of non-current and current financial liabilities less cash, cash equivalents, and current securities, were scaled back by EUR 77.3 million year on year, taking the figure to a long-term low of EUR 245.9 million (Dec. 31, 2023: EUR 323.2 million). The Group took advantage of the high cash inflow from operating activities in the period under review, which was reflected in operating free cash flow of EUR 58.4 million (cf. "Cash Flows" section).

Structure of the ElringKlinger Group's financial position
as of December 31, 2024
in %



Non-current financial liabilities accounted for the larger share of this liability at EUR 320.7 million (Dec. 31, 2023: EUR 282.2 million). While the latter rose by a net amount of EUR 38.4 million in the 2024 financial year, current financial liabilities fell by EUR 123.0 million to EUR 44.7 million (Dec. 31, 2023: EUR 167.7 million).

The net debt-to-EBITDA ratio, i.e., the ratio of net debt to EBITDA (earnings before interest, taxes, depreciation, and amortization), was 1.7 at the end of the 2024 financial year (Dec. 31, 2023: 1.6). If EBITDA adjusted for non-recurring items is used for the calculation, eliminating the losses on disposal of the two plants in Switzerland and the United States, the adjusted net debt-to-EBITDA ratio stands at 1.2. On the basis of these figures (unadjusted and adjusted), ElringKlinger thus met its guidance of "below 2.0" as set out in the combined management report for the 2023 financial year and maintained its track record of improvement over the long term (cf. "Internal Control System" section).

Total non-current liabilities of the ElringKlinger Group amounted to EUR 471.5 million at the end of the 2024 financial year (Dec. 31, 2023: EUR 443.7 million), representing 26.8% of total equity and liabilities.

Current liabilities had a total carrying amount of EUR 587.8 million (Dec. 31, 2023: EUR 653.8 million), which corresponds to a share of 33.4%. Trade payables constituted the largest item, amounting to EUR 277.0 million (Dec. 31, 2023: EUR 216.9 million). The year-on-year increase was partly due to purchases made in connection with the series production ramp-up of battery components planned for 2025, which affects several of the Group's locations. The collective item "Other current liabilities" includes various liabilities and accruals/deferrals. The carrying amount at the end of the 2024 financial year was EUR 177.8 million (Dec. 31, 2023: EUR 182.5 million). As in previous years, one of the larger items recognized here is a call and put option agreement in the amount of EUR 31.9 million (Dec. 31, 2023: EUR 39.4 million) with non-controlling shareholders in respect of the interest in the fully consolidated Japanese subgroup.

Adjusted ROCE at 6.7%

ROCE is an indicator that reflects the return on capital employed (cf. "Internal Control System") and is calculated by dividing EBIT (earnings before interest and taxes) by capital employed. Based on unadjusted EBIT, ROCE for 2024 was in negative territory at -11.5% (Dec. 31, 2023: 5.6%). Due to the significant non-recurring factors affecting earnings in the 2024 financial year, it is appropriate that this key figure is reported additionally on the basis of adjusted EBIT. ElringKlinger therefore recorded adjusted ROCE of 6.7% at the end of the 2024 financial year (2023: 6.8%). The adjusted key performance indicator was better than the guidance figure of "around 6%" presented in the combined management report for the 2023 financial year, which at the time had been prepared without foreseeable adjustment effects.

Cash Flows

ElringKlinger generated a substantial inflow of cash from operating activities in the 2024 financial year. As a result, payments for investments were in effect fully financed from within the Group and, in addition, financial liabilities were scaled back yet again by a noticeable amount. Operating free cash flow rose significantly year on year to EUR 58.4 million (2023: EUR 36.7 million). Thanks to the unused credit lines available at the end of 2024 and a substantial level of cash and cash equivalents, the Group continues to benefit from ample liquidity headroom for systematically managed business development.

Strong operating cash flow of EUR 168 million

Having recorded a solid inflow of cash of EUR 129.7 million in the previous year, ElringKlinger was able to further expand its net cash from operating activities to EUR 168.0 million in the 2024 financial year. It should be noted that the exceptional items recognized in profit or loss in the reporting year, leading to a net loss for the period, were largely non-cash items and did not affect cash and cash equivalents. Against the backdrop of declining market trends, ElringKlinger thus put in a strong cash flow performance in the financial year under review – similar to its solid earnings before interest, taxes, depreciation, and amortization (EBITDA), which amounted to EUR 144.0 million in the financial year under review and is the closest indicator of cash flow levels in terms of earnings.

Key figures cash flows

in EUR million	2024	2023
Net cash from operating activities	168.0	129.7
Operating free cash flow[1]	58.4	36.7
Investments in property, plant, and equipment[2]	108.3	71.2
Investment ratio	6.0%	3.9%

[1] Cash flow from operating activities and cash flow from investing activities, excluding cash flows for M&A activities and for financial assets
[2] Payments for investments in property, plant, and equipment

In the presentation of the cash flow statement (cf. Group Statement of Cash Flows in the Consolidated Financial Statements), cash flow from operating activities is calculated on the basis of earnings before income taxes, which amounted to EUR -150.0 million (2023: EUR 53.2 million). Non-cash changes are eliminated. In the 2024 financial year, these included depreciation, amortization, and impairment losses (less write-ups) totaling EUR 299.4 million (2023: EUR 121.3 million). Of this total, EUR 184.5 million was attributable to impairment losses. Non-cash changes in provisions of EUR 25.9 million (2023: EUR 26.3 million) and currency effects were also eliminated.

In addition to cash income and expenses for the period, cash flow from operating activities is primarily influenced by the funds required for net working capital. These cash funds include those used for inventories and trade receivables after deduction of trade payables. The net change in these items resulted in a noticeable inflow of funds. In particular, the substantial level of trade payables at the end of the reporting period, which were higher in part due to advance input required for upcoming series production ramp-ups for E-Mobility applications, had a positive effect on cash and cash equivalents as of December 31, 2024. Including other assets and liabilities that are not attributable to financing activities, this resulted in a net cash inflow of EUR 34.2 million (2023: EUR 4.5 million).

Income taxes paid in the period amounted to EUR 15.2 million (2023: EUR 40.6 million) and interest paid totaled EUR 25.1 million (2023: EUR 24.9 million).

The sale of the two plants in Switzerland and the United States (cf. "Important Events") did not generate any significant cash flows from operating activities.

Cash flow from investing activities at EUR -110 million

The ElringKlinger Group spent a total of EUR 109.6 million in cash on investing activities in the 2024 financial year (2023: EUR 90.2 million).

Payments relating to property, plant, and equipment amounted to EUR 108.3 million in 2024 (2023: EUR 71.2 million). The majority of this item was attributable to the Original Equipment segment. The year-on-year increase in investments in property, plant, and equipment reflects in particular the business anticipated from the ramp-up of high-volume series production orders in the E-Mobility business unit. For example, extensive production lines were installed at the Neuffen site in Germany, which has been set up as a technology center for battery components, for a large-scale order placed by a global battery manufacturer. Other purchases of plant and equipment related to a major order for cell contacting systems, which is due to ramp up in 2025 and is also scheduled to extend over a period of several years. In addition to being produced at the site in Neuffen, these systems will also be manufactured at other international Group sites in future and delivered to OE customer plants in close proximity. As in previous years, this in itself illustrates ElringKlinger's commitment to focusing its investment activities on strategic areas of the future in 2024. Having said that, order-related investments were also directed at the long-standing business units, the emphasis being on ensuring a high degree of technical efficiency and thus maintaining a profitable platform in what was traditionally ElringKlinger's core business.

In addition, ElringKlinger invested in measures aimed at sustainable and climate-friendly operations. In 2024, for example, this included a renovation project to improve the energy efficiency of the roof at the main plant in Dettingen/Erms, Germany.

Overall, investments in property, plant, and equipment were made for all plants worldwide and in all segments in the financial year under review. In regional terms, the main focus was on Germany, where the sites of ElringKlinger AG in Dettingen/Erms and Neuffen as well as EKPO Fuel Cell Technologies in Dettingen/Erms were the key beneficiaries, as well as on North America. ElringKlinger is in the process of establishing a Battery Hub for the Americas region at its new US site in Easley, South Carolina.

The investment ratio, i. e., payments for investments in property, plant, and equipment relative to Group revenue, was up on the previous year at 6.0% (2023: 3.9%). Thus, it was at the upper end of the range of "around 4% to 6% of Group revenue," the guidance figure presented in the combined management report for 2023.

ElringKlinger spent EUR 21.6 million (2023: EUR 27.8 million) on intangible assets. This related primarily to internally generated development services, which also illustrates the Group's strategic investment in the transformation process.

In addition, the Group recorded cash flows relating to proceeds from the disposal of property, plant, and equipment and intangible assets in the amount of EUR 20.3 million (2023: EUR 6.0 million). These were attributable primarily to the divestment of the Buford site and the associated transfer of properties but were not part of the deconsolidated company's disposal transaction. The above-mentioned sale of the plants in Switzerland and the United States resulted in a cash outflow of EUR 4.9 million in cash flow from investing activities.

Cash inflows and outflows for financial assets generally relate to foreign Group companies and amounted to EUR 4.9 million, in net terms, in the period under review (2023: EUR 4.6 million).

Operating free cash flow at EUR 58 million

Despite the increase in investments in the 2024 financial year, ElringKlinger generated substantial operating free cash flow (cash flow from operating activities less cash flow from investing

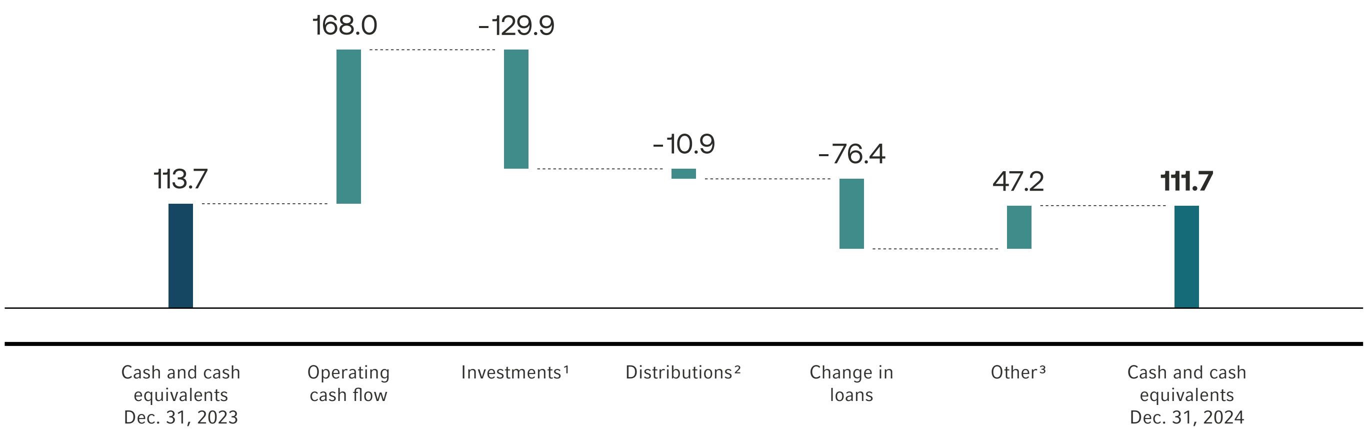
Operating free cash flow

in EUR million	2024	2023	Change, absolute
Net cash from operating activities	168.0	129.7	38.3
Proceeds from disposals of property, plant, and equipment and intangible assets	20.3	6.0	14.3
Payments for investments in intangible assets	-21.6	-27.8	-6.2
Payments for investments in property, plant, and equipment	-108.3	-71.2	37.1
Operating free cash flow	**58.4**	**36.7**	**21.7**

activities excluding cash flows for M&A activities and for financial assets) of EUR 58.4 million (2023: EUR 36.7 million). On the back of year-on-year growth in operating free cash flow, the Group was in a position to fully finance its investing activities from cash generated from operations and to repay loans. The guidance of "around 2% of Group revenue" formulated in the 2023 combined management report was clearly exceeded on this basis, the figure standing at 3.2%.

Key cash flow figures 2024

in EUR million



[1] Payments for investments in property, plant, and equipment and intangible assets
[2] To shareholders of ElringKlinger AG and non-controlling interests
[3] Including payment of EUR 28.0 million received from the co-owner of EKPO Fuel Cell Technologies GmbH and proceeds from asset disposals

Debt repayment reflected in cash flow from financing activities

ElringKlinger again used its surplus funds to scale back loans over the course of the 2024 financial year. Consequently, cash flow from financing activities was in negative territory at a net amount of EUR -59.2 million (2023: EUR -39.7 million). This included long-term loan borrowings and repayments as well as the change in short-term loans, the overall net amount of which was EUR -76.4 million (2023: EUR -51.1 million). In addition, the item includes payments for dividend distributions of EUR 10.9 million (2023: EUR 13.8 million) to shareholders and non-controlling interests. ElringKlinger also received further contributions of EUR 28.0 million (2023: EUR 26.0 million) from the co-owner of EKPO Fuel Cell Technologies, Dettingen/Erms, Germany, in 2024.

As of December 31, 2024, the ElringKlinger Group had cash and cash equivalents of EUR 111.7 million (Dec. 31, 2023: 113.7 million). Together with open, undrawn credit lines of EUR 236.9 million (Dec. 31, 2023: EUR 303.4 million), this continues to provide ElringKlinger with a solid liquidity base to drive forward and shape the Group's transformation.

Overall assessment by the Management Board of the financial position, financial performance, and cash flows of the Group

For ElringKlinger, the 2024 financial year continued to be dominated by challenging fundamentals. The global automotive industry has been drawn into a quagmire of tension marked by geopolitical turbulence, armed conflicts in certain parts of the world, and the threat of more extensive trade barriers, such as those caused by higher tariffs. Driven in part by the need to meet specific climate targets, the industry is undergoing a technological transformation that continues to pose a major challenge. At the same time, this transition has had a bearing on demand-side purchasing patterns, with consumers often facing difficult decisions. These developments in conjunction with divergent economic trends, including the structural recession in Germany, had an impact on the markets, which – calculated on the basis of global automotive production of -1.1% – proved anything but dynamic.

Against this backdrop, management views the ElringKlinger Group's performance in the 2024 financial year as solid overall. The Group generated sales revenue of EUR 1,803.1 million. Although this was down on the prior-year figure of EUR 1,847.1 million, assuming stable exchange rates, it would have been almost on a par with the previous year at EUR 1,831.2 million. Sales revenue generated in the E-Mobility business unit, a promising field of the future, more than doubled year on year, reflecting the ramp-up of a large series production order in the area of new drive technologies; further ramp-ups are in the pipeline. EBITDA amounted to EUR 144.0 million (2023: EUR 200.3 million), while adjusted EBIT for the year stood at EUR 87.6 million (2023: EUR 100.1 million). The adjusted EBIT margin of 4.9% (2023: 5.4%) was in line with the original annual guidance of around 5% of Group revenue.

Management activities continued to center on the financial performance of the largest segment, Original Equipment. This was reflected in the Group's sharper focus on profitable business and future-facing technologies during the 2024 financial year in the form of several strategic measures. Among them, for example, was the sale of two entities in Switzerland and the United States, which primarily related to the Metal Forming & Assembly Technology business unit. This also included critical impairment tests relating to capitalized development projects and decisions to discontinue loss-making activities. A case in point was ElringKlinger's systems business for electric drive units. Here, the Group will be focusing on its profitable components business. In addition, the Group plans to cease operations at the plants in Thale, Germany, and Fremont, CA, USA. These measures led to substantial impairment losses and other operating expenses in the 2024 financial year. Ultimately, however, they will help to improve the Group's profitability and cash flow in the long term. The Aftermarket and Engineered Plastics segments reaped the rewards of their market development strategies and made a significant contribution to Group earnings.

One of the central management objectives is to provide the basis for self-financing from operating activities. In this context, operating free cash flow of EUR 58.4 million is to be seen as a successful milestone. ElringKlinger financed the investments it made worldwide – with a focus on new drive technologies and scheduled ramp-ups – entirely from cash flow generated from operating activities and was also in a position to further reduce net financial liabilities significantly to a long-term low of EUR 245.9 million. While the equity ratio fell to 39.0% as part of the strategic measures, the aim is to swiftly return it to the medium-term target range of 40 to 50%.

ElringKlinger will continue to pursue its successful path of transformation in line with the Group's SHAPE30 strategy. The strategic package of measures initiated to a greater extent in 2024 has established a firm foundation for the Group's profitable future. ElringKlinger's portfolio includes innovative, production-ready components and systems that contribute to emission-neutral mobility. This product portfolio, the broad customer base, and the global network of modern production sites form a good basis for consistently solid business development.

Financial Performance, Net Assets, and Cash Flows of ElringKlinger AG

The management report of ElringKlinger AG and the Group management report have been brought together in a combined format. Details of the business performance relating to ElringKlinger AG, as outlined below, are based on its annual financial statements, which have been prepared in accordance with the provisions set out in the Commercial Code (Handelsgesetzbuch – HGB) and the Stock Corporation Act (Aktiengesetz – AktG) as well as in compliance with the additional requirements of the Articles of Association.

Operating within a challenging business environment, ElringKlinger AG expanded its revenues in some of its sales regions compared to the previous financial year and achieved growth of 2.8%. Earnings before interest, taxes, and equity investments (EBIT) were influenced by exceptional items in the financial year under review and amounted to EUR -54.3 million. ElringKlinger AG's net assets and cash flows at the end of the reporting period remained very solid, with an equity ratio of 37.0% and a substantial cash inflow from operating activities of around EUR 72.5 million in the 2024 financial year.

ElringKlinger AG revenue at EUR 879 million

Despite challenging economic and industry-specific conditions, ElringKlinger AG's business activities remained very stable over the financial year just ended. The parent company, which operates sites in Dettingen/Erms, Geretsried-Gelting, Langenzenn, Lenningen, Neuffen, Thale, and Runkel, saw its revenue increase by EUR 23.8 million or 2.8% year on year. Revenue amounted to EUR 879.4 million (2023: EUR 855.6 million) and thus expanded against the backdrop of challenging industry conditions. The rate of growth recorded by the company clearly exceeded that of the market as a whole, even though it fell short of the original target of achieving revenue growth of around 5%.

ElringKlinger AG recorded double-digit percentage growth in sales revenue in the regions of Germany, Asia-Pacific, and South America and Rest of the World in the year under review. In Germany, the company's second strongest region in terms of revenue, sales revenue rose sharply by 19.5% to EUR 306.4 million (2023: EUR 256.4 million). At the same time, the percentage share of Germany as a sales region rose to 34.8% (2023: 30.0%). With a share of 41.3% (2023: 45.7%), the Rest of Europe continues to represent the company's largest sales region. In this region, ElringKlinger AG generated revenue of EUR 362.9 million (2023: EUR 390.9 million). Yet again, the company was also able to expand revenue generated in the Asia-Pacific region in the reporting period. In 2024, it posted revenue of EUR 96.1 million (2023: EUR 85.3 million), which corresponds to a growth rate of 12.6%. The rate of growth was similar in South America and Rest of the World. In this region, ElringKlinger AG saw its revenue grow by 13.9% to EUR 48.0 million (2023: EUR 42.1 million). In the region encompassing North America, revenue generated by ElringKlinger AG fell by 18.4% to EUR 66.0 million (2023: EUR 80.9 million).

Of particular note in this reporting year is the growth in revenue achieved in Germany, up by EUR 50.0 million on the previous year. Correspondingly, the share of foreign sales in total revenue attributable to ElringKlinger AG fell to 65.2% (2023: 70.0%). The increase in revenue was due in part to the high rate of growth in the Aftermarket business.

Original Equipment segment down slightly year on year

In the 2024 financial year, the Original Equipment segment generated revenue of EUR 579.2 million (2023: EUR 587.3 million), down 1.3% on the previous year. Due to the strong expansion of the company's Aftermarket business, the share of total ElringKlinger AG revenue accounted for by Original Equipment declined slightly from 68.6% to 65.9%. The largest increase in revenue within this segment was attributable to the Battery business unit. The E-Mobility business unit also experienced year-on-year growth, while revenue in the Metal Sealing Systems & Drivetrain Components business unit declined.

Aftermarket again records double-digit growth

Boasting a rate of expansion of 11.8%, the Aftermarket segment made an above-average contribution to revenue growth at ElringKlinger AG in the 2024 financial year, thus emulating last year's performance. At EUR 300.2 million (2023: EUR 268.6 million), revenue was up EUR 31.6 million on the prior-year figure. This segment's share of total revenue was further expanded by 270 basis points to 34.1% (2023: 31.4%). The expansion in revenue was driven by all major sales regions.

Sustained growth in total operating revenue

As part of ramp-up measures and further preparations relating to the large-scale series production orders received by the company, inventories increased by EUR 15.1 million (2023: EUR 2.6 million) with the help of a circumspect inventory policy. Including other own work capitalized, total operating revenue amounted to EUR 894.5 million (2023: EUR 858.3 million), up by EUR 36.2 million or 4.2%.

At EUR 58.3 million (2023: EUR 56.2 million), other operating income was slightly up on the previous year. In addition to income from currency translation and government grants, the key factor here was the impact of the change in the transfer pricing system.

Other operating expenses were up in 2024 compared to the previous year at EUR 271.2 million (2023: EUR 249.5 million), which was attributable to a variety of influences. The effects of the company's strategic measures, including the sale of the Swiss subsidiary and the discontinuation of business activities in the area of engine testing services, played a role in this context, as did the change in the transfer pricing system and the costs associated with the further digitalization of the company.

Prices remain fundamentally high overall

After prices for raw materials and energy had soared to a high level across the board in the past and eased somewhat in specific areas in the previous year, prices trended slightly downwards overall in 2024 but still remained above the pre-pandemic level. The downward trend in prices during the financial year was also reflected in expenses for some raw materials and energy. Prices for steel and plastic in particular trended downwards and remained at a consistently low level. However, this easing of prices did not apply to all raw materials used by ElringKlinger in production: Prices for aluminum and elastomers remained at a comparable level to the previous year due to movements in market prices over the course of the financial year.

In view of the elevated level of prices overall and the growth in operating revenue, the cost of materials also trended higher year on year, although at 3.2% this item rose at a slower rate than revenue, which increased by 4.2%. The cost of materials amounted to EUR 391.5 million in the year under review (2023: EUR 379.4 million). The cost-of-materials ratio, which puts the cost of materials in relation to total operating revenue, fell by 40 basis points to 43.8% (2023: 44.2%).

ElringKlinger AG workforce grows

ElringKlinger AG employed 3,103 people at the end of the financial year under review (Dec. 31, 2023: 2,956 employees), which corresponds to an increase of 5.0%. In the financial year under review, wages and salaries rose to EUR 222.5 million (2023: EUR 211.9 million). At the same time, social security contributions and pension expenses also trended higher year on year. Overall, personnel expenses stood at EUR 265.4 million in the financial year just ended, up EUR 14.2 million or 5.7% (2023: EUR 251.2 million). Personnel expenses in relation to total operating revenue rose slightly to 29.7% (2023: 29.3%).

Year-on-year increase in depreciation, amortization, and write-downs

Depreciation, amortization, and write-downs of intangible assets and fixed tangible assets stood at EUR 43.9 million in the financial year under review (2023: EUR 29.9 million), up on the prior-year figure. At EUR 35.1 million (2023: EUR 0.1 million), write-downs of receivables from affiliated companies, prompted by impairment testing, were significantly higher than in the previous year.

Earnings before interest, taxes, and equity investments impacted by depreciation, amortization, and write-downs

The effects of the increase in revenue contrasted with higher material and personnel expenses, an increase in depreciation, amortization, and write-downs, and also a rise in other operating expenses due to persistently high price levels, wage cost increases, and the company's strategic measures. As a result, the company's earnings before interest, taxes, and equity investments (EBIT) fell to EUR -54.4 million (2023: EUR 4.4 million). This is equivalent to an EBIT margin (EBIT as a proportion of total operating revenue) of -6.1% (2023: 0.5%).

The adjusted EBIT margin of ElringKlinger AG, i.e., the ratio of adjusted EBIT to the company's revenue, was expected to be around 6%, as presented in the 2023 combined management report as a guidance for the 2024 financial year. With adjusted EBIT of EUR 0.4 million (2023: EUR 72.4 million), the adjusted EBIT margin stood at 0,1% (2023: 9.2%), meaning that the company fell short of the target it had set itself. The adjustments in the reporting year mainly included one-time effects from the strategic measures described above.

Net finance result influenced by strategic measures

Income from equity investments includes distributions from several subsidiaries in Germany and abroad to ElringKlinger AG and totaled EUR 24.6 million (2023: EUR 35.1 million). The item comprising other interest and similar income was higher than in the previous year at EUR 13.9 million (2023: EUR 10.5 million). While interest and similar expenses totaling EUR 16.2 million (2023: EUR 16.3 million) and income from other securities and loans classified as financial assets amounting to EUR 0.2 million (2023: EUR 0.2 million) remained virtually unchanged, write-downs of financial assets increased significantly due to the strategic measures described above. This was attributable primarily to the sale of the Swiss subsidiary but also to write-downs as part of impairment testing on investments. Write-downs of financial assets amounted to EUR 110.3 million in the reporting year (2023: EUR 23.0 million). Overall, the net finance result of EUR -87.8 million (2023: EUR 6.5 million) was also significantly lower than the prior-year figure.

Net loss due to exceptional items

As a result of the downturn in earnings before interest, taxes, and equity investments and the lower net finance result, earnings before taxes were also down significantly on the prior-year figure. The latter stood at EUR -142.2 million (2023: EUR 10.9 million). Following a non-recurring effect arising from a change in the transfer pricing system, which had led to income taxes of EUR 27 thousand in the previous year, this figure was up at EUR 12.4 million in the year under review. In total, post-tax profit at the end of the reporting period amounted to EUR -154.6 million (2023: EUR 10.9 million). After deducting other taxes, the net loss for the year was EUR -155.0 million (2023: net income of EUR 10.6 million). In the 2024 financial year, net reversals of revenue reserves amounted to EUR 163.4 million (2023: EUR 0 million). In the financial year under review, a dividend totaling EUR 9.5 million (2023: EUR 9.5 million) was distributed to the shareholders of ElringKlinger AG. As of December 31, 2024, the company's unappropriated surplus (i.e., net retained profit) for the financial year amounted to EUR 9.5 million for the financial year under review (2023: EUR 10.6 million).

Dividend proposal of EUR 0.15 per share

In keeping with its balanced approach with regard to dividend payments, the Management Board and Supervisory Board would like to ensure that shareholders benefit appropriately from the Group's performance. Given in particular the favorable prospects for the coming financial years, both boards are keen to ensure continuity with regard to the dividend policy. In agreement with the Supervisory Board, the Management Board proposes to the Annual General Meeting that an unchanged dividend of EUR 0.15 per share be paid out for the 2024 financial year (2023: EUR 0.15 per share).

Net Assets of ElringKlinger AG

The dual role of ElringKlinger AG as the parent company of the ElringKlinger Group and at the same time as a production company is reflected in the asset structure of the balance sheet. As regards assets, the principal components are both the operating assets required for operational activities and the interests in and receivables from affiliated companies. In the 2024 financial year, the strategic divestment of two companies directly and indirectly affiliated with the parent company and the impairment tests carried out on the basis of business expectations for the financial assets recognized at the end of the 2024 reporting period had a dilutive effect on total assets.

Total assets of the AG at just over one billion euros

Total assets reported in the balance sheet of ElringKlinger AG, as prepared in accordance with the German Commercial Code (HGB), amounted to EUR 1,002.1 million as of December 31, 2024, compared to EUR 1,132.2 million in the previous year. While fixed assets with a total carrying amount of EUR 545.3 million (Dec. 31, 2023: EUR 573.0 million) fell by EUR 27.7 million compared to the previous year, current assets decreased more sharply to EUR 441.0 million (Dec. 31, 2023: EUR 546.7 million), as discussed below. Thus, the respective share of fixed assets in the balance sheet total rose from 50.6% at the end of the previous year to 54.4% and fell from 48.3% to 44.0% in the case of current assets. Prepaid expenses of EUR 15.7 million (Dec 31, 2023: EUR 12.4 million) accounted for a further, albeit minor, share of 1.6% of assets at the end of 2024.

Tangible fixed assets and intangible assets at around EUR 250 million

ElringKlinger AG's tangible fixed assets had a carrying amount of EUR 243.3 million as of December 31, 2024 (Dec. 31, 2023: EUR 260.7 million). In the 2024 financial year, additions from investments in the amount of EUR 28.0 million contrasted with depreciation and amortization of EUR 29.5 million. The year-on-year decline in the carrying amount is mainly due to write-downs in the form of impairment losses totaling EUR 14.8 million, which were attributable primarily to the plant discontinuations in Thale and Langenzenn. Intangible assets, which under German commercial law do not include own development work capitalized, amounted to EUR 3.4 million at the end of the reporting period (Dec. 31, 2023: EUR 3.7 million).

Financial assets influenced in part by divestments

The financial assets of ElringKlinger AG mainly comprise shares in affiliated companies and, in addition, equity investments as well as long-term loans to affiliated companies and investees. As of December 31, 2024, they totaled EUR 298.7 million, which corresponds to a slight decrease of EUR 10.0 million compared to the previous year's figure of EUR 308.7 million.

As in previous years, the principal component of financial assets was shares in affiliated companies with a total carrying amount of EUR 287.0 million (Dec. 31, 2023: EUR 279.3 million). The net increase of EUR 7.7 million compared to the previous year is attributable to various circumstances that prompted both the expansion in shareholdings or new contributions and the disposal of shares as well as write-downs and, to a very small extent, write-ups. These included the sale of two Group companies in Switzerland and the United States in the fourth quarter of 2024, which led directly to a disposal in financial assets in the case of the Swiss plant. The plant in the United States was part of the US holding company owned by the parent company. The battery center in South Carolina, which was founded in 2024 and is currently under development, is also affiliated with this US holding company. The carrying amount of the share in ElringKlinger Holding USA, Inc. was up in net terms at the end of the 2024 financial year following the conversion of receivables and an adjustment to the carrying amount. Other items, including the disposal of shares associated with the sale of the Swiss company, led to a reduction in this balance sheet item. In total, write-downs in the form of impairment losses amounted to EUR 91.9 million.

At the end of 2024, loans to affiliated companies and investees amounted to EUR 3.3 million (Dec. 31, 2023: EUR 7.2 million). Due to the strategic decision to terminate system business for electric drive units, the activities relating to the subsidiary hofer powertrain products GmbH, Neuffen, Germany, were significantly reduced in the period under review. This also resulted in a reduction in the investment value of associated Hofer AG. In total, ElringKlinger AG's equity investments amounted to EUR 7.8 million at the end of 2024 (Dec. 31, 2023: EUR 21.6 million).

Current assets fall to EUR 441 million

Inventories held by ElringKlinger AG as a separate entity increased by 14.4% year on year to EUR 220.2 million at the end of the reporting period (Dec. 31, 2023: EUR 192.4 million). They comprise raw materials, semi-finished and finished goods for the manufacturing process as well as inventories relating to the company's aftermarket business, with finished goods forming the principal component with a carrying amount of EUR 125.7 million (Dec. 31, 2023: EUR 112.7 million). Part of this increase in inventories was driven by the large-scale series production orders ramping up in the E-Mobility business unit.

ElringKlinger AG's receivables totaling EUR 211.4 million (Dec. 31, 2023: EUR 353.6 million) consisted of other assets, trade receivables in the amount of EUR 68.7 million (Dec. 31, 2023: EUR 64.0 million), and receivables from affiliated companies in the amount of EUR 115.0 million (Dec. 31, 2023: EUR 260.7 million). The latter largely relate to financial transactions and the parent company's financing function in respect of affiliated companies. Alongside a conversion process involving shares in affiliated companies, the decline was also attributable to an impairment loss of EUR 35.1 million recognized in profit or loss, which was also in connection with the strategic discontinuation of business activities.

Equity diluted by net loss for the year

Equity held by ElringKlinger AG was diluted by the net loss for the year of EUR -155.0 million and the dividend payment of EUR 9.5 million made to shareholders of ElringKlinger AG in respect of the previous financial year. At the end of 2024, equity amounted to EUR 370.7 million (Dec. 31, 2023: EUR 535.1 million), resulting in an equity ratio of 37.0% (Dec. 31, 2023: 47.3%). Subscribed capital of EUR 63.4 million, which corresponds to a notional value of EUR 1.00 of the nominal capital per registered share, and the capital reserves of EUR 120.8 million remained unchanged from the previous year's reporting date.

The pension provisions of ElringKlinger AG had a carrying amount of EUR 96.2 million at the end of the 2024 financial year (Dec. 31, 2023: EUR 99.4 million). They were measured at the end of the year in accordance with actuarial principles using the projected unit credit method.

Other provisions include various current and non-current obligations and had a total carrying amount of EUR 92.0 million at the end of the 2024 reporting period (Dec. 31, 2023: EUR 75.8 million). The increase was mainly associated with personnel-related obligations recognized under this item with a carrying amount of EUR 38.0 million (Dec. 31, 2023: EUR 26.1 million). They include partial retirement obligations and, to a lesser extent, provisions for long-service awards. In addition, provisions were made for non-settled bonus credits to customers, mainly from the Aftermarket segment, as well as a number of other items such as derivative risks, warranty obligations, provisions for contingent losses, outstanding supplier invoices, and customer credits.

The liabilities of ElringKlinger AG increased slightly by EUR 13.8 million to EUR 433.7 million compared to the previous year (Dec. 31, 2023: EUR 419.9 million). This item included liabilities to banks, which were scaled back by EUR 60.9 million to EUR 182.5 million (Dec. 31, 2023: EUR 243.5 million). It should be noted that the net loss for the year was associated mainly with non-recurring factors of a non-cash nature. ElringKlinger AG's trade payables increased to EUR 133.5 million at the end of the year (Dec. 31, 2023: EUR 94.3 million), while liabilities to affiliated companies rose to EUR 61.1 million (Dec. 31, 2023: EUR 26.3 million), partly as a result of advance input required for upcoming series production ramp-ups for E-Mobility applications. The increase in these items should also be seen in the context of optimized treasury management and, in the case of items relating to affiliated companies, efforts to balance liquidity at Group level.

ROCE, as a profitability indicator, stood at 0.1% for ElringKlinger AG in the financial year under review (Dec. 31, 2023: -2.6%). Adjusted for non-recurring items in accordance with the established definition (cf. "Internal Control System"), such as impairment losses in connection with the sale of subsidiaries, adjusted ROCE relating to the parent company of the ElringKlinger Group would have been 6.1% (Dec. 31, 2023: 6.6%). This figure corresponds to the guidance expressed in the 2023 combined management report of "moderately below the Group level," which corresponded to an adjusted ROCE of 6.7% in 2024 (original Group ROCE guidance of around 6.0%). The profitability indicator ROCE expresses how high the return on capital employed is; it is determined from the relation of EBIT (earnings before interest and taxes) to average capital employed.

Cash Flows of ElringKlinger AG

Net cash from operating activities at EUR 72 million

Regardless of the non-cash factors reflected in earnings, ElringKlinger AG again generated a substantial cash inflow from operating activities of EUR 72.5 million in the 2024 financial year (2023: EUR 86.4 million).

Alongside the favorable performance relating to operating activities – excluding non-cash influences – changes in current assets also had an impact on cash flow. This included the year-on-year increase in inventories and trade payables, which led to a corresponding cash outflow, while the change in receivables from affiliated companies resulted in a cash inflow. Overall, the changes in these inventories relating to net working capital, including other assets and liabilities not attributable to investing or financing activities, resulted in a cash outflow of EUR 68.6 million, compared to EUR 1.9 million in the previous year.

As part of the indirect method of calculating operating cash flow from net income, non-cash expenses and income were eliminated. These include, among other things, changes in provisions that are recognized in profit or loss but not non-cash in nature, which had a positive effect of EUR 11.1 million in 2024 after a dilutive effect of EUR 17.8 million in the previous year. This was due to the higher net additions in the 2024 financial year. Net losses of EUR 12.3 million (2023: EUR 3.6 million) from disposals of fixed assets were added as part of the indirect cash flow calculation.

The net amount of income taxes paid and reimbursed led to a cash inflow of EUR 1.3 million, compared to an outflow of EUR 18.4 million in the previous year.

Distributions received by ElringKlinger AG as income from equity investments led to an increase in cash and cash equivalents of EUR 24.6 million in 2024 (2023: EUR 35.1 million).

Investments reflect transformation

Payments relating to tangible fixed assets amounted to EUR 28.0 million at ElringKlinger AG in the year under review (2023: EUR 34.4 million). A clear focus was placed on investments in the E-Mobility business unit, where production machinery was added in connection with upcoming ramp-ups relating to the manufacture of battery components. Overall, however, investment spending was also directed at the long-standing business units, which are located both at the headquarters in Dettingen/Erms and at other German sites and continue to represent an important cornerstone of the company's transformation.

ElringKlinger AG spent EUR 0.5 million on intangible assets in 2024 (2023: EUR 0.7 million). Disposals of tangible fixed assets and intangible assets generated proceeds of EUR 0.8 million for ElringKlinger AG in 2024 (2023: EUR 5.6 million).

Payments for investments in financial assets amounted to EUR 12.4 million (EUR 9.4 million). ElringKlinger AG's total net cash used in investing activities amounted to EUR -40.0 million in the 2024 financial year (2023: EUR -38.4 million).

Operating free cash flow on target at EUR 45 million

ElringKlinger AG used cash flows from operating activities to finance its cash outflows for investing activities and to generate additional funds, resulting in operating free cash flow after investments (adjusted for cash flows from acquisition activities and changes in financial assets) of EUR 44.8 million (2023: EUR 57.0 million). This key performance indicator was in line with the guidance of operating free cash flow "in the low to mid double-digit million euro range" set out in the 2023 combined management report.

Around EUR 24 million used for financing activities

In the 2024 financial year, ElringKlinger AG scaled back its non-current loans and financial liabilities by a net amount of EUR 37.9 million (2023: EUR -34.0 million). These were mainly drawings and repayments under the syndicated loan agreement. It was concluded in 2019, with an increase and extension in 2021, for a total volume of EUR 450 million and runs until 2026. After the end of the reporting period – on March 11, 2025 – a new syndicated loan agreement was concluded for EUR 450 million, at standard market terms and covering a period of five years, with an option to increase the volume by EUR 100 million. The agreement serves to repay the previous syndicated loan and bilateral credit lines and was arranged with three banks; four others are part of the syndicate. As a result of loans and time deposits taken out and repaid with regard to affiliated companies, ElringKlinger AG recorded a cash inflow of EUR 47.5 million (2023: EUR -0.5 million). Including the change in current liabilities to banks of EUR -23.7 million (2023: EUR -5.9 million) and payments to shareholders, which amounted to EUR 9.5 million (2023: EUR 9.5 million), ElringKlinger AG used funds of EUR 23.6 million for financing activities in 2024 (2023: EUR -49.9 million).

As of December 31, 2024, the undrawn lines of credit available to ElringKlinger AG totaled EUR 219.0 million (Dec. 31, 2023: EUR 277.3 million).

The individual cash flows continue to be calculated in accordance with the principles of DRS 21. Overall, the company is therefore able to meet its payment obligations.

Report on Opportunities and Risks

ElringKlinger's opportunity and risk management system aims to identify and assess risks systematically, continuously, and at an early stage and to manage them by means of risk-mitigating measures. For ElringKlinger, this forms an integral part of value-based corporate management. The Group applies a comprehensive range of instruments to prevent risks from occurring or, where they do occur, to minimize their impact on the company. Both external (e.g., political) and internal (e.g., financial) factors are taken into account. Opportunities are treated in the same way.

Opportunities and risk management system

The opportunities and risk management system is made up of various tools and control systems; it relates to the entire Group and its segments. It forms an integral part of the overall planning, steering, and reporting process in the legal entities, business units, and central functions. The structure is based on ISO Standard 31000 (Risk Management), which is a generally recognized framework concept in accordance with IDW PS 981. Among the key components are strategic Group planning and internal reporting. The effectiveness and suitability of the opportunities and risk management system itself are continually adapted and refined in accordance with new requirements as they arise.

In the context of Group strategic planning, continuous monitoring of markets, customers, and suppliers ensures that potential risks relating to material decisions are identified and taken into account, while opportunities arising within the market can be exploited accordingly. With this in mind, the Management Board holds strategy meetings at regular intervals, at which it discusses market developments, customer requirements, and industry and technology trends. As an essential element of these meetings, the Management Board analyzes the Group's product portfolio and compares it with the framework requirements. All key areas within the Group are involved in this process. Information is retrieved, collated, and evaluated as part of a standardized process. Conclusions for action are derived from these procedures, which are then implemented in the short, medium, and long term. The Management Board bears overall responsibility.

The opportunity and risk positions of the ElringKlinger Group are collated by the Controlling department, a process that is supported by a detailed internal reporting system. In addition to ensuring that all available sources of information are taken into account, the process is aimed at monitoring and managing the course of business.

A key component of the risk management system is regular risk reporting by the management of the respective domestic and foreign Group companies, with the involvement of the business units, which is performed on a half-yearly basis. It covers risk-related developments in all fields relevant to the Group that may affect business activity and, in particular, the continuation of the ElringKlinger Group as a going concern against the background of the specific risk-bearing capacity. ElringKlinger AG's concept with regard to risk-bearing capacity takes into account elements of both a balance sheet and a liquidity-oriented perspective when it comes to determining risk coverage potential. The focus in particular is on changes to the economic or political situation, new regulatory requirements, technological developments, commodities markets, and internal risks. Within the scope of this reporting, risks are identified and assessed. In addition, reports are compiled on risk-mitigating measures. The Chief Financial Officer is responsible for coordinating these activities in his capacity as Global Risk Manager. The risk structure of the Group and the AG does not differ significantly overall.

The Management Board assesses the aggregate risk and submits regular and comprehensive reports on its findings to the Audit Committee and the Supervisory Board. Another important aspect of the centralized risk and quality management system deployed at the ElringKlinger Group is that of tracking the implementation of defined measures. This occurs regularly as part of the committee meetings of the respective Group companies.

The Group considers risk management to be an all-embracing activity that encompasses not only the identification and assessment of risk, as outlined above, but also a system of preventive measures and contingency planning that has proven to be very effective.

Alongside regular reporting, internal audits are an important control mechanism and thus an essential element of the risk management system. Audits are carried out in the business and corporate units of the ElringKlinger Group as well as at the Group companies. They are conducted by the Audit department in cooperation with external accountancy firms commissioned by ElringKlinger. The rationale behind the use of internal and external specialists is to ensure that risks are identified, statutory requirements are met, internal processes are reviewed, and potential for improvement is recognized. Risk-based audit planning forms an integral part of audit projects. Audits can also be initiated on the basis of inquiries over the course of the year or events related to specific circumstances. The findings of such audits are compiled in reports, which are directed in particular at the Management Board and the Chairperson of the Audit Committee within the Supervisory Board. The reports are evaluated, whereupon necessary measures are initiated. The execution of measures is monitored by the Management Board member whose remit covers this area; this Management Board member is also responsible for reviewing assessments conducted with regard to risk positions identified by the company. All relevant findings are discussed with the areas concerned in order to bring about improvements or rectify any weaknesses.

Compliance management system

In accordance with the existing compliance management system, the Chief Compliance Officer reports directly to the Chief Executive Officer. Additional Compliance Officers have been appointed for individual regions in which ElringKlinger is active; they report to the Chief Compliance Officer. The ElringKlinger code of conduct forms an important part of the compliance management system. It sets out binding rules for all employees of the ElringKlinger Group. The code provides guidance and serves as a benchmark for responsible conduct. Among other aspects, it covers issues such as fair competition, corruption, discrimination, and the protection of confidential data. The code is distributed to all employees in the common language of the country in which they are based. Staff members, and particularly management personnel, receive training relating to these issues. Training courses are held on a regular basis in order to prevent compliance-related infringements.

ElringKlinger's Whistleblower System allows employees to report any irregularities they may come across. This gives them an anonymous line of communication in order to pass on information on misconduct, violations of statutory provisions, and policy infringements. The Management Board is committed to adapting and refining the existing compliance management system to changing circumstances and the possibility of evolving risk exposure.

Internal control system[7]

The internal control system (ICS) established within the ElringKlinger Group is of key importance to the successful management of risks associated with business processes. In particular, one of the aims of the ICS is to ensure that the attainment of corporate goals is not jeopardized by internal and external risks. Therefore, awareness of such risks is considered a prerequisite for an effective, fit-for-purpose ICS. In this context, the execution of risk management forms an essential basis of this control system.

The control system implemented at ElringKlinger at present encompasses defined controls and monitoring activities designed to ensure the dependability and efficiency of relevant business activities and the reliability of financial reporting, in addition to legal and regulatory compliance. It is subject to continuous refinement and optimization.

In its design, the ICS is aligned with the Group's current risk situation and therefore primarily takes into account the business risks associated with ElringKlinger's operations. This risk-based design also ensures that the ICS can be adjusted accordingly when the risk status changes.

ElringKlinger's ICS covers the main business processes within the Group. The overall responsibility lies with the Management Board. When it comes to designing and maintaining appropriate and effective processes for implementing, monitoring, and sustaining the ICS, the Management Board is supported by ElringKlinger AG's central Governance Assurance Services department, which brings together and integrates the established governance system processes (i.e., the risk management system, the compliance management system, and the internal control system).

The principal elements or sub-areas associated with the governance systems implemented by the company are audited on a regular basis in order to continuously monitor and improve these systems.

Alongside audit-specific reporting, the ongoing refinement of the governance systems, including their level of maturity, forms an integral part of the agenda at Audit Committee meetings, for which the Management Board furnishes reports. Based on these activities, the Management Board determines the adequacy and effectiveness of these systems.

Internal control and risk management system in relation to the accounting process

With regard to accounting or external financial reporting within the Group, the internal control and risk management system can be described in terms of the following principal features: the system is geared toward identifying, analyzing, assessing, and managing risks as well as monitoring these activities. The task of structuring the system in line with the specific requirements of the company is the responsibility of the Management Board and Supervisory Board.

In accordance with the distribution of responsibilities within the company, the Finance department, which is in charge of accounting, comes under the remit of the Chief Executive Officer. This area, which also includes the Financial Reporting and Controlling departments, coordinates accounting within the Group and ElringKlinger AG and compiles the information required for the preparation of the consolidated financial statements and the annual financial statements of ElringKlinger AG. In this context, the

[7] The disclosures in this section are disclosures that go beyond the legal requirements for the management report and are therefore excluded from the auditor's substantive audit of the management report (information extraneous to the management report).

Financial Reporting department sets the standards within the Group and describes the processes, while the Controlling department takes on planning, steering, and monitoring tasks. The Group companies are supported by the Regional Finance Managers responsible for the respective region. The Group companies report to the assigned Management Board member responsible for their activities.

The principal risks associated with the accounting process derive from the need to provide accurate and complete information within the specified time frame. This presupposes that the requirements have been clearly communicated and the departments responsible are placed in a position where they can meet those requirements. ElringKlinger has compiled an accounting manual on the basis of International Financial Reporting Standards. All Group companies are required to apply the standards outlined in this manual as a basis of the financial reporting process. All the principal valuation standards such as those covering inventories, tools, and receivables under IFRS are specified in mandatory form within the manual. Mandatory accounting standards are also in use across the Group as a way of ensuring uniform treatment of the same issues.

All Group companies are obliged to comply with a pre-defined schedule for preparation of the Group financial statements. All Group companies are responsible for drawing up their separate financial statements in accordance with local accounting rules and the reporting packages pursuant to IFRS and the ElringKlinger accounting manual. Financial reporting by all the Group companies is conducted by means of a Group reporting system. Internal Group clearing accounts are reconciled with the help of confirmation of balances and the Group reporting system. It contains not only financial data but also information that is of importance to the notes to the consolidated financial statements and the combined management report of the ElringKlinger Group and ElringKlinger AG. The data and information are checked by the Finance department prior to release and consolidation.

SAP is used by all the German and the majority of the foreign subsidiaries within the ElringKlinger Group. As for the other companies, various IT systems are currently in use. In the short- to medium-term, SAP is to be introduced at other key companies within the Group. All implemented systems feature hierarchical access systems; all clearances are documented in the system. For companies that use SAP, access rights are managed centrally according to established rules and role profiles. Local management makes decisions on access in those companies that use other systems.

Among the risks that may affect the accounting process are, for instance, those associated with delays or errors in the entry of transactions or failure to observe the accounting manual and account allocation rules. In order to avoid mistakes, the accounting process is based on the separation of responsibilities and competencies, the automation of procedures, and plausibility checks for reporting purposes. Calculations are subject to continuous monitoring. Comprehensive and detailed checklists have to be worked through before the established reporting deadline.

The accounting process is also incorporated into the ElringKlinger Group's risk management system as a way of identifying accounting-related risks at an early stage, allowing the company to take prompt action to anticipate and address potential risks. As is the case with the other areas and functions of the Group, accounting is also subject to the investigations conducted as part of internal auditing.

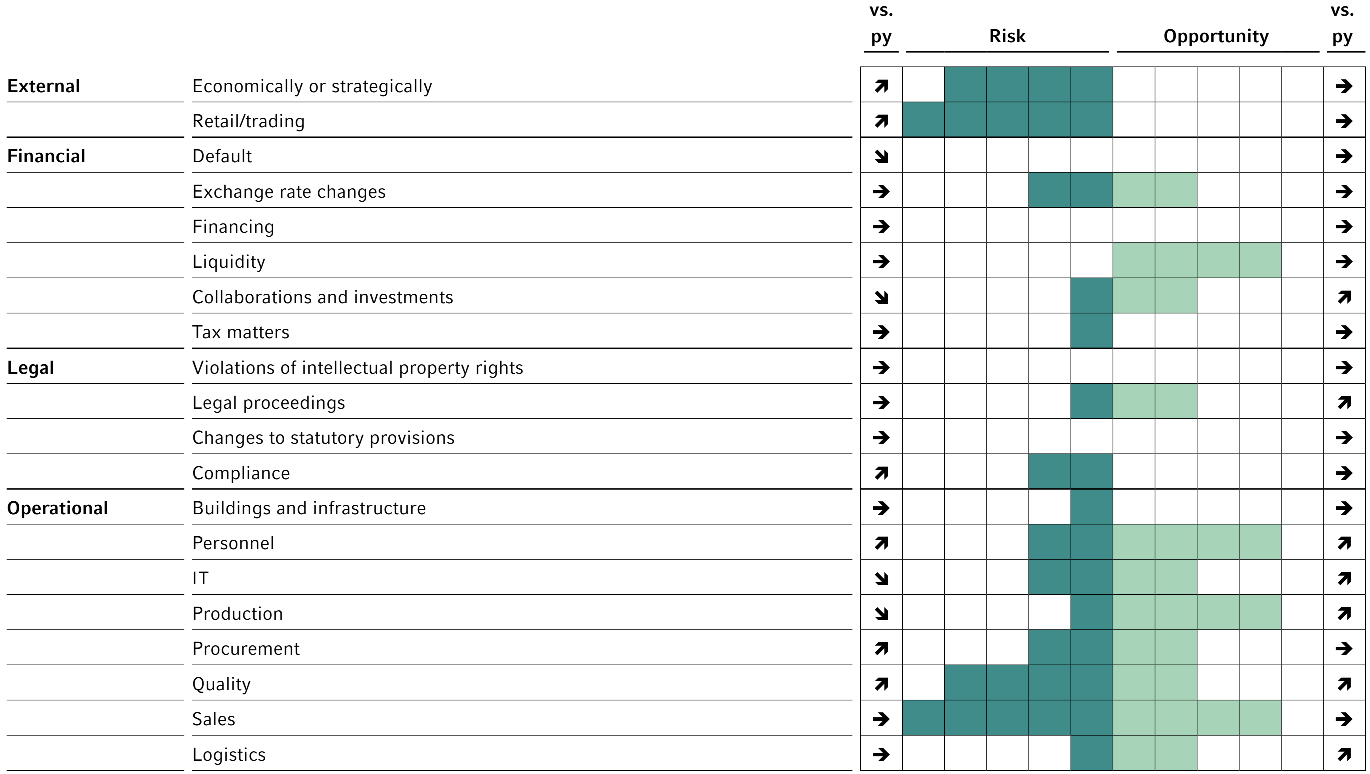
Assessment of opportunities and risks

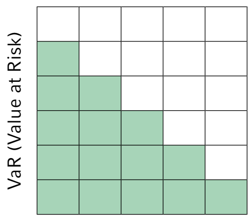
The systematic approach to assessing opportunities and risks takes into account both the individual risks recorded by the operating units in accordance with the bottom-up principle and the Group risks assessed by the centrally managed units in accordance with the top-down principle. Risks are described with their probability of occurrence and the respective severity of harm for the applicable period of one year and are categorized uniformly for aggregation. As part of aggregation, the Monte Carlo method is applied for the purpose of simulating a very wide range of possible scenarios relating to the company. They are brought together in the form of a probability distribution of the overall risk position. Thanks to the wide range of calculated scenarios, this statistical method delivers a profile of probable and less probable potential deviations from targets that can be described with key indicators and provide the basis for quantitative assessment.

The same applies to the systematic approach implemented for the purpose of recording opportunities according to the top-down principle. The description of such opportunities includes details of their possible frequencies in the period under review as well as their possible bandwidths, categorized and aggregated by means of the Monte Carlo method into a probability distribution of the potential positive target deviation in order to arrive at a quantitative assessment.

The following table presents an overview of the principal opportunities and risks that are currently of relevance to the ElringKlinger Group. These items are recorded according to the net approach, i.e., the measures have been taken into account within the opportunity and risk assessment on the basis of their respective status of implementation. The individual categories have been included for the purpose of aggregation and comprise a number of specific aspects that will be elaborated on in the subsequent sections. Based on the scenario analysis, the opportunities and risks are assessed by means of the value-at-risk approach, with potential negative deviations from the target shown in red and potential positive deviations from the target shown in blue. As a statistical indicator, value at risk determines the maximum possible profit or loss that will not be exceeded in the applicable period with a specified probability – in this case 95%. It is a measure based on a defined probability and does not describe the maximum possible profit or loss, as a scenario beyond this probability is still possible. The assessment of opportunities and risks is performed on a half-yearly basis. Reporting is always based on a period of one year. The reference parameter with regard to all data is adjusted earnings before interest and taxes (EBIT). In the following table, the arrows indicate the year-on-year change with regard to the classification of the respective risk or opportunity in terms of the risk category.

The material opportunities and risks are described and categorized below. The categories are reviewed annually in accordance with the concept of risk-bearing capacity and adjusted if necessary. The Group defines categories as low whose value at risk (95%) in positive (opportunities) or negative (risks) terms amounts to more than EUR 2.1 million. In those cases in which the figure is no more than double the value, the opportunity or risk can be described as low. In the broader corridor of between EUR 4.2 million and EUR 6.3 million the opportunity and risk is moderate. As regards figures in excess of EUR 6.3 million and up to EUR 8.4 million, the Group considers the opportunity and risk to be high, while figures above this level relate to opportunities and risks that are deemed to be very high. ElringKlinger's approach with regard to risk-bearing capacity takes into account elements of both a balance-sheet-oriented and a liquidity-oriented perspective when it comes to determining risk coverage potential. The risk categories are recalculated annually on this basis.





Minimal	VaR(95) = 0
Very low	0 < VaR(95) ≤ EUR 2.1 million
Low	EUR 2.1 million < VaR(95) ≤ EUR 4.2 million
Moderate	EUR 4.2 million < VaR(95) ≤ EUR 6.3 million
High	EUR 6.3 million < VaR(95) ≤ EUR 8.4 million
Very high	VaR(95) > EUR 8.4 million

External opportunities and risks

External opportunities and risks include decisions outside the company's area of influence that may result in a direct or indirect impact on the Group and its business activities.

Economic and strategic opportunities and risks

For ElringKlinger, as a Group with global operations, political decisions or developments have the potential to impact – which includes the possibility of a material impact – on future business performance. The same consequences may cause political instability. Additionally, political and economic factors can have a direct or indirect impact on the macroeconomic environment, technology trends in the market, the Group's sales regions, and levels of demand in the industry.

Market conditions in the automotive industry continue to be defined by a high degree of uncertainty. Ongoing armed conflicts such as those in Ukraine or the Middle East are a prime example.

Despite peace efforts, it is impossible to rule out a further escalation of hostilities in both regions. This is compounded by geopolitical tensions concerning spheres of influence in some parts of the world, for example in the South China Sea, or armed conflicts such as those seen in Yemen, Sudan, and Somalia. These tensions are affecting shipping routes, e.g., to the Red Sea with the Suez Canal or through the Taiwan Strait in South-East Asia, and as a result are detrimental to global trade. The impact is particularly severe in the case of global industries such as the automotive sector. Access to important shipping routes also represents a key issue at the heart of recent political debate concerning Greenland and the Panama Canal.

Parts of these geopolitical trouble spots are among the sales regions that entail certain risks for ElringKlinger. In the Aftermarket segment, whose core regions include not only Europe but also North Africa and the Middle East, there is therefore a fundamental risk of a decline in revenue. As sales in these regions are billed in euros, customers' restricted access to foreign currency could result in delayed or reduced orders. As regards the Original Equipment segment, these regions are not considered core sales markets. However, restricted access to shipping routes of international importance could have a noticeable impact on availability levels and costs in supply chains, which would not only affect the entire automotive industry but also global trade and the global economic climate.

The direction taken by the industry and the ElringKlinger Group may be influenced not only by geopolitical but also by general economic factors. Although the global economy as a whole is generally expected to see solid growth, forecasts for 2025 have recently been revised downwards, particularly for the home region of Germany. The situation is categorized by some economists as stagflation, i. e., a stagnation in economic development accompanied by inflation. If this situation were to persist or economic performance were to fall short of expectations, this would also have a dampening effect on a cyclical sector such as the automotive industry.

A substantial downturn in the economy represents a risk to demand and, ultimately, to vehicle production. This, in turn, could possibly result in lower demand for ElringKlinger's products. In addition to being fueled by political and geopolitical developments, such trends may also be driven by a number of other factors. For example, elevated prices within the global markets – particularly for raw materials and energy – may prompt central banks to curb inflation with the help of higher interest rates, which in turn also poses the risk of a slowdown in economic growth. In this context and in conjunction with geopolitical tensions, there is a risk of recession in Germany in particular, but also in other Western countries. General risks such as a global pandemic can also have an impact on economic performance.

Essentially, ElringKlinger takes sufficient account of economic risks at the planning stage. As a rule, when budgets are drawn up, the respective macroeconomic scenario is interpreted cautiously.

Thanks to its global positioning – especially in the three core automotive markets of Europe, Asia-Pacific, and North America – and the breadth of its product portfolio, the Group also has the fundamental ability to cushion the impact of geopolitical risks. In order to enhance the Group's resilience to possible negative influencing factors, the business environment and associated developments are analyzed continuously and extensively. However, in view of the uncertain and volatile conditions and the variety of possible developments, it is impossible to predict the manifestation and extent of the potential effects with sufficient accuracy.

Overall, the external economic and strategic risks can be classified as high, while the opportunities are considered marginal.

Trading opportunities and risks

External risks may also take the form of trade policy measures such as embargoes, unilateral subsidies, or tariffs. The issue of tariffs has increasingly become the focus of discussion, particularly in the wake of the US presidential elections and following the inauguration of the US president. Having taken office, the US administration imposed a first round of tariffs, while the countries affected announced that they would consider countermeasures. It remains to be seen what this will actually entail and how those targeted will react. In this scenario, spiraling tariffs at an international level are a distinct possibility.

ElringKlinger has established a global presence and generally takes a continental approach to production in close proximity to its customers. Fundamentally, supply chains are set up at a local level, provided they are available locally and competitive at the location in question. If additional costs are incurred in connection with tariffs, ElringKlinger always seeks to pass them on at both the supplier and customer end. At the same time, Purchasing is approving more suppliers and applying for customs exclusions to the extent permitted by regulations. In individual cases, there is the possibility of securing the services of new suppliers from unaffected regions or relocating production to unaffected regions.

Overall, trading risks are considered to be very high, while opportunities are marginal.

Financial opportunities and risks

With revenue of around EUR 1.8 billion and more than 40 locations worldwide, the size and global interconnectedness of the ElringKlinger Group have reached a level that has an impact on its risk profile and gives rise to various financial risks.

Default opportunities and risks

One potential risk is that ElringKlinger's business partners could default on their contractual payment obligations toward the Group.

Essentially, ElringKlinger counters customer default risks primarily by means of long-standing customer relationships, a broadly diversified customer base, and advance payments or payments linked to certain milestones as a payment condition, or with the help of trade credit insurance.

ElringKlinger's business relationships with many of its customers go back several years or even decades. Based on the sense of trust gained over the years, fixed rules have been established with regard to payment practices. ElringKlinger has also continually broadened its customer structure in recent years and, as a rule, is not dependent on individual customers. The largest single customer accounted for 7.1% (2023: 8.5%) of annual revenue in 2024.

With the industry undergoing transformation, the Group has also seen its customer structure change. Increasingly, established manufacturers are being challenged by innovative new competitors focusing exclusively on vehicle models with alternative drive systems and/or entirely new mobility concepts. Many of these new industry players are still operating as start-ups. The business performance of these companies is difficult to assess because, in contrast to established manufacturers, traditional sales risks are compounded by factors such as development capacity or successful further financing rounds. It is therefore entirely possible that some of these new manufacturers will not bring their development to market maturity, will not be able to obtain follow-up financing, or will not achieve customer acceptance for their product. In all such cases, ElringKlinger is faced with the risk that payments for existing development projects or orders may not be made, as a result of which impairment losses will have to be recognized in respect of receivables.

ElringKlinger addresses increased counterparty risk with a risk-minimizing customer strategy. This involves, among other things, payment terms that correspond largely to project progression and therefore cover any investment and development amounts outstanding.

Overall, the default risks are categorized as minimal, as are the opportunities.

Exchange rate opportunities and risks

ElringKlinger operates globally across various currency borders and is therefore essentially exposed to exchange rate risks as well. These include local currency surpluses in individual Group companies, intra-Group loans, and the measurement of outstanding receivables and liabilities. In times of greater uncertainty in particular, changes in exchange rates occur more frequently or are more pronounced and are reflected in net finance costs.

Local currency surpluses are eliminated by natural hedging as far as possible. This means that sales revenues and costs are largely incurred in the same currency in almost all sales regions. Risks arising from internal financing are gradually scaled back with the Group shifting financing to the respective currency region. To mitigate currency risks, ElringKlinger also makes use of hedging instruments, depending on need and risk profile. For example, the Group had hedges relating to the US dollar and the Swiss franc at the end of the reporting period.

In addition, there are also translation risks arising from consolidation in the Group currency. Consequently, changes in average exchange rates can cause Group revenue and earnings to increase or decrease accordingly.

Changes in exchange rates can also give rise to opportunities if the currencies develop in favor of the company's activities. For example, a change in the EUR/USD exchange rate may have a positive impact; the Group will respond flexibly in such cases.

On the whole, risks and opportunities arising from changes in exchange rates can be classed as low.

Financing opportunities and risks

Risks pertaining to financing arise when the Group's ability to obtain refinancing is at risk.

ElringKlinger repaid the second tranche of the bonded loan issued in 2017 in the amount of EUR 99 million from credit lines still available under the syndicated loan, which runs until 2026, bilateral credit lines, and cash and cash equivalents available at the time of repayment. As of December 31, 2024, the Group had a total of more than EUR 200 million in undrawn credit lines. In addition, a new syndicated loan agreement for EUR 450 million with the option to increase the volume by EUR 100 million was concluded on March 11, 2025, the purpose of which is to repay the previous syndicated loan and bilateral lines of credit.

At the end of the reporting period, the loan agreements concluded by the ElringKlinger Group mainly contained contractual clauses that are typically used in banking to satisfy certain financial requirements (financial covenants). As of December 31, 2024, there were no circumstances that could have given rise to the exercise of unilateral termination rights by the banks. In the opinion of the Management Board, no such circumstances are expected in the 2025 financial year either. There are no immediate risks that may jeopardize the financing of planned major projects, which is also attributable to the Group's financial metrics. At 39.0% (2023: 45.3%), the equity ratio is close to the long-term target range of 40% to 50% of total assets. At 1.7 (2023:

1.6), the net debt-to-EBITDA ratio (net debt in relation to EBITDA) is above the previous year's level against the backdrop of persistently difficult conditions. At 1.2 in the case of EBITDA adjusted for non-recurring items, it is below the previous year's level and meets the medium-term target of below 2.0. From the Management Board's current perspective, financing risks that might jeopardize the company's existence as a going concern can be ruled out.

Overall, the financing risks are categorized as "minimal," as are the opportunities.

Liquidity opportunities and risks

If a company is solvent, it has sufficient cash available to fulfill its financial obligations, such as the repayment of financial liabilities or ongoing payment obligations arising from operating activities. In this respect, in terms of liquidity, there is a risk that the amount of cash available may not be sufficient. On the other hand, situations may arise where cash and cash equivalents are generated that were not taken into account in planning.

ElringKlinger finances itself both from the cash flow generated from operating activities and by means of borrowing arrangements. In the financial year just ended, the Group's operating free cash flow of EUR 58.4 million (2023: EUR 36.7 million) significantly exceeded the previous year's figure. The Group's financing situation also shows that yet more credit could be utilized if needed: at the end of 2024, the credit lines totaled EUR 534 million (2023: EUR 557 million), with EUR 297 million (2023: EUR 254 million) drawn down.

The liquidity risks can therefore be classed as minimal.

The Group is also implementing measures to actively manage its liquidity position. This includes agreements with suppliers as well as a liquidity-oriented financing policy, such as equipment leases. Thus, the Group may create additional liquidity and further improve its liquidity metrics. The resulting opportunities are considered high.

Opportunities and risks with regard to collaborations and investments

This category includes, for example, risks relating to portfolio and restructuring measures and decisions regarding the appropriate portfolio strategy for the business or parts of it. External growth, acquisitions of business units or companies, joint ventures, and divestments are all aspects of this risk category.

The far-reaching transformation process in the automotive industry is accompanied by global integration. Many SMEs continue to be faced with the challenge of capital allocation, as they need to position themselves globally and at the same time invest in research and development in order to master the process of transformation within the mobility sector. The risk of insolvency in the sector is heightened by the resulting financing risks. Therefore, the industry is currently undergoing consolidation and is expected to continue to do so in the future. In this context, there is also the possibility that competitors will exit the market under such conditions.

ElringKlinger views this environment as an opportunity to selectively refine its technology portfolio. The Group conducts systematic market monitoring and analysis for the purpose of maintaining the best possible overview of the business arena and establishing a position in which it has options to take action. In this context, it cannot be ruled out in principle that ElringKlinger may seize growth opportunities through acquisitions, provided that this is considered appropriate in respect of corporate strategy and contributes to achieving the goals of driving forward the Group's transformation and enhancing its profitability, particularly in the Original Equipment segment.

In the context of its SHAPE30 transformation strategy, the Group is reviewing the future viability of its product groups from a market perspective. The findings of these assessments form the basis for its global site strategy. As part of this process, the Group took the decision to divest itself of two entities with sites in Switzerland and Buford, GA, USA. The principle governing such divestments is that they help to hone the Group profile and enhance the Group's profitability, particularly in the Original Equipment segment. Against this backdrop, the Group is also subjecting the full range of its shareholdings to a fundamental review.

In addition to targeted acquisitions and divestments, there are also opportunities to step up business activities through collaborations in the form of investments or joint ventures. Examples of this are the collaborative ventures pursued by ElringKlinger in the field of fuel cell technology, drawing on its own track record spanning around two decades: in 2021, ElringKlinger and the French automotive supplier OPmobility formed a jointly operated entity by the name of EKPO Fuel Cell Technologies GmbH (EKPO), Dettingen/Erms, Germany, which is driving forward the development and marketing of fuel cell technology. As part of the European IPCEI program, the company is developing and industrializing a new generation of high-performance fuel cell stacks with the support of funds granted by the Federal Ministry for Digital and Transport and the Baden-Württemberg Ministry of the Environment. This high-performance stack was unveiled to the public for the first time in 2024.

ElringKlinger has also been in a strategic partnership with the aerospace corporation Airbus since 2020 with the aim of working together to develop and validate fuel cells suitable for use in aviation applications. It holds a non-controlling interest in the joint venture as a financial investment. Airbus has announced its decision to postpone the hydrogen aircraft fleet originally planned for 2035, but at the same time plans to press ahead with efforts to advance the development of fuel cell technology.

Although the hydrogen industry continues to be of particular importance given the role of hydrogen as a key energy source of the future, the postponement of investments is delaying the expansion of the requisite infrastructure. This may in turn lead to a shift in the market.

Beyond this, additional collaborative efforts – both in respect of technologies and markets – are conceivable, provided they aid the Group in achieving its goal of enhancing overall profitability, e.g., by opening up new markets or gaining market share. This approach also includes cooperations aimed at realizing projects together with a partner.

Overall, this risk can be classed as very low. At the same time, the Group has opportunities that fall into the low category.

Opportunities and risks arising from tax matters

Various opportunities and risks arise from tax matters. For example, risks linked to a number of different statutory regulations and tax audits form part of this category. These include changes in legislation or the administration of justice, which can also contribute to risks retroactively. In addition, the differing legal interpretations of tax authorities, particularly in the case of cross-border transactions, can lead to considerable uncertainties, and therefore to risks.

There is also an accounting risk if the future taxable income is not available or too low. This is the risk that the tax benefit of loss carryforwards and tax-deductible temporary differences can no longer be recognized in full or not recognized at all, which can therefore have a negative impact on the Group's result. There is also a low risk in the medium to long term that the jurisdictions affected by the change in the transfer pricing system might make assessments that differ from one another.

Overall, this results in risks that can be classified as very low for the risk assessment period, while the opportunities are minimal.

Legal opportunities and risks

ElringKlinger is subject to a range of legal risks.

Opportunities and risks relating to violations of intellectual property rights

Legal risks comprise possible violations of intellectual property rights of ElringKlinger by third parties or ElringKlinger, where the rights of third parties are concerned.

To protect its technologies and products, ElringKlinger follows an intellectual property rights strategy adapted to its business model. An in-house patent and trademark department applies for industrial property rights for the company's own development outcomes and makes sure that the company's activities do not violate the property rights of third parties. It also checks whether third parties are violating the company's property rights. The same applies to the brands used by ElringKlinger, particularly in the aftermarket business, which are also protected and monitored in this respect.

Overall, this risk is to be considered minimal. The opportunities can also be classified as minimal.

Opportunities and risks arising from litigation

Legal risks may also arise from court proceedings and legal disputes, third-party claims, and official investigations and orders. Significant risks, such as warranty and product liability risks typical for the industry, are covered by taking out appropriate insurance policies. The nature and scope of insurance cover are reviewed at regular intervals and adjusted if necessary. Additionally, where possible, agreements on limitation of liability are concluded between ElringKlinger and the contracting party in question.

Furthermore, ElringKlinger addresses its exposure to legal risks by recognizing provisions in its separate and consolidated financial statements. Such precautionary measures have been additionally implemented for individual sets of circumstances in 2024.

Opportunities in this area include the enforcement of claims against contractual parties or third parties. The Group performs these duties through the Legal & Compliance corporate unit and external experts on a case-by-case basis.

Overall, the risk can be classified as very low, while the opportunities are considered low.

Opportunities and risks due to changes in statutory provisions

Legal risks can also arise where regulations that have an impact on the Group's business activities are changed. Risks to be expected because of a change to standards, such as ISO or DIN standards, come under this category. Particular attention must be paid to the risks arising from the rapid change of standards concerning sustainability, including energy- and climate-related regulations, laws on climate protection and the energy transition, and environmental protection standards.

Against the backdrop of climate change, there are demands for stricter legislation in the transport sector and calls for sustainable mobility. In recent years, many states have issued emission regulations for vehicles or placed time limits on the registration of new combustion engine vehicles, which is prompting manufacturers to transform their product portfolio towards electromobility. At the same time, many countries are promoting new drive technologies.

ElringKlinger was an early mover when it came to forward-looking technologies and considers itself to be strategically well positioned to meet current emissions regulations or even more extensive requirements by drawing on its high-performance product portfolio for fuel cell and battery applications.

Fuel cells make it possible to convert energy during operation, thereby extending the range depending on usage. Thus, fuel cells are particularly suitable for applications where downtime, as necessitated by frequent battery charging, is costly, e.g., in the case of trucks or buses. ElringKlinger supplies various components as well as high-performance fuel cell stacks via its subsidiary EKPO Fuel Cell Technologies GmbH, Dettingen/Erms.

In the field of battery technology, ElringKlinger can build on a track record spanning more than a decade as a series supplier of cell contacting systems. The Group has secured further high-volume series production nominations for these components in recent years, e.g., for the BMW Group's New Class. In addition, ElringKlinger can draw on its system expertise and is gearing up for the series production of battery systems on the basis of nominations received.

Likewise, vehicle weight has an impact on environmentally friendly mobility. Lightweight solutions are of key importance to car manufacturers when it comes to reducing the fuel consumption of combustion engine vehicles or increasing the range of electric vehicles. The overall focus in this regard is always on minimizing CO_2 emissions. A lower weight also reduces tire wear and particulate pollution. Thus, lightweight construction is a key technology for the automotive industry. ElringKlinger has been mass-producing lightweight components for more than two decades.

Recently, there has been growing debate surrounding the postponement of the commencement of sales bans. The United Kingdom has already decided on such a postponement. Should such arguments gain traction and prompt a slowdown in the transformation towards electromobility, ElringKlinger will be able to draw on the market position of its long-standing product portfolio and continue to utilize existing production capacity.

Overall, the risk – as well as the opportunities – from changes in statutory provisions can be classified as minimal.

Compliance opportunities and risks

Risks to which ElringKlinger is exposed may arise from breaches of statutory or other legal requirements by managers and employees. Possible consequences include sanctions such as penalties or fines and claims for damages, which may have a negative impact on cash flows and financial performance. Such consequences may be serious, particularly in the event of antitrust law violations. Both the parent company and the subsidiaries may be exposed to the compliance risks outlined above.

Essentially, a risk of corruption cannot be ruled out per se against the backdrop of global supply chains, complex corporate structures, and the international business activities of the ElringKlinger Group. Possible consequences of corruption include reputational damage, financial losses, and liability risks.

As a risk mitigation measure, the Group conducts regular training sessions on compliance topics. ElringKlinger has also established a compliance-management system, which is constantly modified to reflect changing circumstances or conditions. In view of the instruments relating to the compliance management system and the corporate culture practiced at ElringKlinger, the probability of material violations occurring can be classified as low but cannot be completely ruled out. Depending on the circumstances of the individual case, the effects on Group earnings may reach a scale that could be considered significant.

Based on the scenario analysis, the risk is considered to be low. The opportunities are considered minimal.

Operational opportunities and risks

ElringKlinger is a globally positioned manufacturing company. This creates operational risks relating to production and its influencing factors. They include manufacturing and IT infrastructure, employees, the production itself, and its goods.

Opportunities and risks relating to buildings and infrastructure

As a global Group with more than 40 sites, ElringKlinger always needs to be sure that business operations at all locations are running smoothly and without interruptions.

The first risks to mention in this regard are site risks linked to natural hazards. Climate change is causing increasingly severe individual incidents such as floods, violent storms, heat waves, and extended periods of drought. These could lead to severe damage to buildings and infrastructure. If electricity, water, gas, or similar utilities are limited or unavailable, business activities will also be affected. Similarly, risks that fire protection systems will not work properly or that safety problems will arise exist worldwide. Poor-quality buildings can result in rising maintenance costs.

ElringKlinger addresses these risks by responding proactively and with a long-term view. Although supply risks associated with electricity, gas, and water cannot be ruled out or protected against entirely, because the company depends on upstream networks and players, the Group reduces the probability of occurrence and – where risks do occur – the downtimes with its site selection and the installation of back-up systems for sensitive areas, such as server rooms or data centers. With regard to site selection, the decision-making criteria include points such as a high level of media availability and good infrastructure as well as vulnerability to natural forces or extreme weather events.

Forward-looking maintenance and servicing, the timely replacement of old systems, and – in cooperation with the central Real Estate & Facility Management and Purchasing departments – the regular review of service providers are among ElringKlinger's fundamental principles. In addition to regular maintenance, test runs and inspection by external experts guarantee that the fire protection and safety systems are highly reliable. A standardized process specification for extinguisher maintenance ensures a minimum standard for the Group that is the same all over the world.

Construction processes may also be drawn up incorrectly, be performed in a non-compliant manner, or cause unexpected additional costs. The Real Estate & Facility Management corporate unit has experts in all main construction trades who inspect the services of external planning partners and compare them against Group-specific requirements. Employees of the corporate unit are also available as points of contact to all sites worldwide and thereby make a significant contribution to reducing errors. Before a construction project is approved, the costs are compared based on key figures from similar projects and subjected to a plausibility check, including with regard to the market price situation and construction price trend. After approval, the project is monitored using an extremely extensive project controlling system. This enables cost increases during the project's term to be identified early and offset through optimization and, where necessary, reductions.

Overall, these risks can be classified as very low and the opportunities as minimal. This is also underpinned by the potential offered in regard to the continuous improvement process.

Personnel opportunities and risks

ElringKlinger has grown significantly in the past two decades and developed into a global Group. This creates numerous needs and requirements, both to reflect global growth and to shape the process of transformation – in the present and in the future. Against this backdrop, the ability to attract and retain committed and qualified staff in the long term is particularly important, and staff satisfaction is a key factor in this context. The overall focus is on attractiveness as an employer. Well-trained professionals are in high demand; competition within the market for qualified staff is fierce, especially in the automotive region of Baden-Württemberg. This can pose certain challenges, such as high pay levels or limited availability of staff.

The Group also uses digital media for the purpose of recruiting skilled employees. To reach out to different target groups, ElringKlinger harnesses the full gamut of social media channels (including LinkedIn, Instagram, and Facebook), its own jobs page, and various other careers portals, as well as university partnerships. It also attends vocational training fairs. With the employee referral scheme "Bring a Talent," the company is aiming to recruit highly committed and qualified candidates from the personal spheres of employees.

In the context of Success Factor #5 Corporate Culture of the SHAPE30 transformation strategy, the Group is looking to establish a new, contemporary corporate culture within the Group based on a value system that is embraced worldwide throughout the entire Group. In addition, ElringKlinger is making a point of evolving its corporate culture to a greater extent towards innovation and performance. The overall aim is to make the working environment more flexible and performance-oriented – in the interests of both employees and the company.

To encourage employees to remain with the company, the Group offers an extensive training program. Continuous staff training provides employees with the opportunity to develop at both a professional and a personal level. Flexibility achieved through advanced training helps the Group to assign its employees in a more versatile manner and to respond to dynamic changes in the market on the basis of an innovative, collaborative, and performance-focused approach. At ElringKlinger, employees are given the opportunity to take part in training programs via a digital learning platform. Clearly defined career paths of equal standing enable employees to better pursue their professional goals and develop their skills in a focused manner. The introduction of a career path centered around experts in specific subject areas, alongside the existing career path focusing on managerial positions, is a strategic approach to employee retention that helps ElringKlinger to foster broad-based loyalty, promote innovation, and remain competitive.

Additionally, a works agreement gives employees the modern option of doing their job digitally. Thanks to mobile working, employees can combine their career and family life even when work is intense.

For the Group, it is important to remain competitive at its German sites as well as internationally. In this context, the HR department regularly examines which instruments and new approaches can be applied to achieve this objective and coordinates conceptual ideas with the Works Council. If these plans are drawn up, voted on, and implemented, they may also result in efficiency gains for the Group.

On the whole, the personnel-related risks can be classed as low. The opportunities relating to personnel, on the other hand, can be described as high.

IT opportunities and risks

In the digital age, the IT system landscape is permanently exposed to potential threats such as cybercrime, hacker attacks, or data privacy incidents that may affect the availability, integrity, and confidentiality of information and IT-based resources. Any disruption to IT systems and application software can lead to tangible delays to individual processes – from the handling of purchase orders and ongoing production control through to activities in the supply chain. Such a scenario would have a negative effect on operations, which may also affect revenue and earnings. Successful attacks by Trojans, which cannot be ruled out in principle and always represent a potential threat, would have similar effects. In addition, inadequate data management can lead to difficulties in reporting and heighten the potential of misuse of sensitive data. This applies in particular to compliance with regulatory requirements, such as the EU General Data Protection Regulation. Fundamentally, it is impossible to rule out the threat emanating from such effects; they constitute a potential hazard.

Alongside these risks, risks associated with digital transformation must also be taken into account. These include possible cost hikes attributable to system-related adjustments, the need to implement new technologies, and employee training. The speed and quality of digital transformation are also of importance. If the Group fails to switch to digital solutions in a timely and effective manner, it may find itself at a competitive disadvantage, as other market players will be in a position to offer products that are more affordable, more suitable, or more comprehensive.

The ElringKlinger Group's IT department and information security team are tasked with optimizing resilience standards on a continual basis through regular business impact analyses. Emergency plans are supplemented and expanded in cooperation with the specialist departments and plants. In this context, new requirements arising from product transformation and the associated digitalization in day-to-day business are also taken into account in order to ensure business continuity immediately in a scenario involving damage. In addition, data that are of importance to operational processes are stored twice or redundant, high-availability systems are deployed. As a result of the migration phase to SAP S/4 HANA in particular, the volume of data and the corresponding time required to restore data in the event of an incident has increased. Additional back-up systems and bridging solutions are also in place to deal with potential risks for specific projects and processes. Employees are sensitized to malware and Trojan attacks through simulation measures and receive training on new threat scenarios via e-learning and in-person seminars.

Staff access to confidential data is controlled by means of scalable access authorizations. State-of-the-art security software applications are used for the purpose of protecting the company against unauthorized access via external sources. In addition, cyber insurance cover was taken out to mitigate the financial impact of cyber attacks.

In addition, the Group is TISAX-certified at 18 locations, while the functional units at the Group's headquarters and their sites are ISO 27001:2022-certified. TISAX is a standard within the automotive industry that harmonizes the level of information security throughout the entire value and supply chain; many automotive manufacturers require compliance with this standard.

ElringKlinger also sees digitalization as an opportunity. As part of its SHAPE30 strategy, the Group has identified digital transformation as a success factor. Business processes are therefore undergoing an in-depth analysis and being examined for potential improvements. In a digitalized environment, supply chains can be optimized, investment decisions can be made on the basis of data, and, ultimately, new fields of business can be cultivated. The objective of the digitalization process is to make existing processes more efficient while also opening up the possibilities of new processes through digital means. Efficient organization thanks to digitalization not only creates an opportunity to noticeably reduce the Group's cost structures but also to make a positive impact on other factors such as employee satisfaction or employer attractiveness with a better work-life balance. In this context, the capabilities of artificial intelligence are also of relevance.

Overall, this results in risks that are to be classified as low. The opportunities are also categorized as low.

Production opportunities and risks

Production equipment may malfunction or fail if it is not regularly maintained or modernized or replaced in good time. This risk is greater still in the case of bottleneck machinery. At the same time, product launches and ramp-ups give rise to the risk that equipment may not be configured correctly and production operations will have to be paused or aborted completely. In addition, the automation and networking of production systems need to be taken into account, along with technical developments and innovation. With regard to production, there is also a risk that the available capacities at individual sites may not be sufficient to cover the maximum call-off orders placed by customers as part of their scheduling arrangements. In these circumstances, it may not be possible to absorb peaks in orders placed by customers as part of their scheduling arrangements. However, production bottlenecks can also arise in the event of force majeure.

Instances of force majeure may be difficult to deal with, but the other risks are mitigated or avoided by putting systematic measures in place. This includes paying particular attention to carrying out preventive or foreseeable maintenance and ensuring the availability of spare parts for machinery and equipment. The aim is to make sure spare parts can be supplied to any location in the world within 48 hours. Maintenance is carried out within the Group at set intervals. Production and maintenance staff are given comprehensive training in advance on similar equipment, while remote support facilities are also set up. Replacement investments are made in line with business principles. Ramp-up activities are based on dedicated manuals and checklists, while assets/capacity levels are installed and made available in advance of customer requirements. In this context, particular attention is paid to training employees at an early stage, while at the same time complying with ElringKlinger's global standards for the procurement and installation of machinery. Cyber risks, which also occur in production amid more widespread digitalization, are addressed proactively by a dedicated global Operational Technology department that draws up and maintains cybersecurity standards.

The risk of a loss of production also arises when employees' occupational health and safety is not sufficiently ensured. To mitigate this risk and eliminate it as far as possible, the Group takes a proactive approach to avoid occupational accidents altogether. Clearly defined work instructions on the issue of safety, regular safety training, preventive measures in individual workplaces, a technical safety standard for systems and work equipment, and suitable protective equipment are intended to ensure that this is the case. Occupational health and safety is also covered in the Group's operating system and forms an integral part of this. To help raise employees' awareness of the potential risks, incidents involving near-misses are highlighted and communicated within the plants as a preventive measure. In addition, risk assessments are continuously prepared and updated, complemented by safety inspections. Compliance with the regulations is verified by means of regular internal audits. Any findings from these are set out in plans of action, and countermeasures are implemented as quickly as possible. Notifications of accidents are communicated across the Group, and the lessons learned from these incidents are also shared universally to help develop the organization further and avoid future accidents.

What represents a risk on the one hand can also be considered an opportunity on the other: digital workflows and standardized processes may eliminate inefficiencies and unlock potential. The goal is for processes to be identical at all locations worldwide and to create additional scope for the employees involved. The reduction of carbon footprints also opens up opportunities in the context of product differentiation.

On the whole, the risks can be classed as very low. The opportunities, by contrast, are categorized as high.

Procurement opportunities and risks

Procurement opportunities and risks can have an impact on the availability and cost of materials (e.g., raw materials, consumables, and supplies as well as parts, semi-finished products, and finished products from third parties) and services.

Risks associated with the availability of materials may emanate, for example, from a shortage of raw materials on the global market due to a change in demand, geopolitical conflicts, or various environmental factors. The risks of rising material costs may take the form of a substantial increase in the prices of materials or components, or other input parameters such as energy. This category also includes risks that could arise from contractual requirements, especially in supplier or procurement contracts.

The prices of the raw materials primarily used by ElringKlinger remain elevated in relation to pre-pandemic levels, although the situation with regard to prices has eased recently. The risk of recurring or further price increases – including those caused by customs duties – would have a direct impact on the ElringKlinger Group and, depending on the trajectory of prices, may affect it to a considerable extent. Such a risk is evident in the sales region of North America, for example, as a result of the imposition of US tariffs on imports. However, a flagging economy would mean that prices would be expected to fall due to lower demand, which would have less of an impact on the Group – although the effect of this would not be felt immediately while the terms of existing contracts were still ongoing.

ElringKlinger's global purchasing organization continuously monitors the situation on the procurement markets and takes measures accordingly to mitigate or avoid the risk and effects of price increases. For example, the Group's central purchasing department works continuously to identify and realize any potential for optimization. Internal processes are being improved and standardized across the Group, while the selection and classification of suppliers is being systematically refined. From a long-term perspective, ElringKlinger is optimizing product design and improving internal manufacturing processes as well as those relating to suppliers with a view to offsetting price spiral effects on commodity markets.

On the procurement side, ElringKlinger negotiates optimal contractual terms with its raw material suppliers based on its own market expectations. Long-term agreements are concluded if prices are expected to rise. In some cases, however, contracts are concluded with shorter terms in order to take advantage of opportunities and to be prepared for possible price reductions. Alloying elements, such as nickel, which are used in high-grade steel alloys, are invariably traded on the stock exchange. As a result, the overall prices of high-grade steel alloys cannot be fixed as part of framework agreements. In order to cushion volatility associated with nickel prices, hedging transactions are concluded in a targeted manner. Where hedging contracts are employed as a protective instrument against commodity price volatility, they are always based on the actual quantity of physical materials required by the company.

In order to become less exposed to increases in the prices of materials over the medium to long term, price escalator clauses are introduced into customer contracts whenever possible. If this is not possible, further negotiations are arranged with a view to passing price rises that exceed cost estimates on to customers. In addition to addressing the issue of high commodity prices, these negotiations also cover the aspect of energy, transportation, and staff costs. The risk here is that the additional costs cannot be passed on to customers in full or only with some delay.

Although high material prices have an adverse impact on the Group's earnings, ElringKlinger benefits from the same high prices when it sells the metal and plastic residues produced during production processes. These are recycled as effectively as possible and subsequently sold by the scrap management department, taking into account economic and environmental aspects. Potential cost increases can be offset, at least in part, by the proceeds from scrap sold in this way. As long as no price escalator clauses have been agreed, any reductions in material prices work in the Group's favor.

In order to mitigate material availability risks relating to bottlenecks or non-deliveries as far as possible, ElringKlinger relies on close collaboration with its suppliers over the long term. The Group makes a point of planning its material requirements in good time and is committed to a multi-supplier strategy in order to minimize the risk of production-related disruption or downtime due to disruptions within the supply chain. This strategy is also designed to take effect if one of the suppliers runs into delivery difficulties for financial reasons. Suppliers with corresponding risk profiles were again closely monitored to facilitate a quick response in the event of potential defaults and minimize the risk for ElringKlinger. As far as possible, ElringKlinger develops alternatives for commodities and materials that are either in short supply or subject to severe fluctuations in price.

Alongside the materials needed for its long-standing product portfolio, ElringKlinger sometimes uses other types of commodities and materials in the business areas of battery and fuel cell technology. It is not possible for the Group to routinely estimate the future volumes, price movements, and supplier structures with regard to these materials based on the information currently available. Overall, ElringKlinger counters this uncertainty and therefore reduces its exposure to risk by minimizing its own inventories and by also requesting these input materials as required from the supplier's consignment warehouse, i. e., the supplier retains ownership of the goods until they are requested by ElringKlinger.

Overall, the opportunities and risks can be classified as low.

Opportunities and risks relating to quality

ElringKlinger is a production company that manufactures products characterized by a high level of technological sophistication. This may give rise to operational risks in the form of, for example, an increase in defects, a high rejection rate, processes that are not robust, or non-standardized organizational structures or procedures. Non-standardized procedures can, in particular, arise as a result of the development of entirely new products, such as products for applications outside the automotive industry or within the field of alternative drive technologies. This may give rise to operational risks in the form of, for example, an increase in the number of defects, a high rejection rate, processes that are not robust, or non-standardized organizational structures or procedures.

In recent years, ElringKlinger has made refinements to its Operating System and implemented it throughout the Group, which includes robust processes, excellence in product rollout, and continuous improvement. In an effort to scale back the increasing complexity and growing challenges associated with business activities, ElringKlinger is pursuing an initiative aimed at process excellence. The Group's emphasis on this aspect is also reflected in the fact that Process & Performance Excellence has been identified as a success factor for further transformation in the context of the SHAPE30 strategy. The aim of this Success Factor #4 is to keep pace with future growth through processes, increase the degree of transparency and digitalization within the Group, and pool knowledge for future activities in a way that is not dependent on specific individuals. This is also underpinned by the potential offered in regard to the continuous improvement process.

The risk arising from insufficient product quality can have consequences in the context of warranty and product liability risks to which the industry is typically exposed. At ElringKlinger, material risks within this category are covered by appropriate insurance plans. The nature and scope of insurance cover are reviewed at regular intervals and adjusted if necessary. Additionally, where possible, agreements on limitation of liability are concluded between ElringKlinger and the contracting party in question.

In order to counter the risk arising from poor product quality from a fundamental perspective, ElringKlinger has implemented processes for continuous improvement at both the project and process levels. Cases of deficient quality are tackled, for example, by tightening up procurement specifications for input materials and by continuously upgrading production equipment and increasing the level of automation. Furthermore, logistical processes are optimized on an ongoing basis.

Overall, the risk resulting from this can be classed as high. The opportunities are within the category of low.

Sales opportunities and risks

In addition to external risks, ElringKlinger is also exposed to market and sales risks arising from customer-specific circumstances. These include, for example, price and volume effects or fluctuating demand due to the situation regarding competition. Sales risks can also result from bottlenecks in the value chain upstream of production.

As regards the situation relating to prices, the extent to which higher prices associated with energy, commodity, staff, and other costs can be passed on remains a decisive factor. ElringKlinger will continue to focus on negotiations with customers in this area as well as on material-related issues. Overall, this risk can be better managed using empirical data than at the beginning of the inflation cycle.

With regard to the market situation and the far-reaching process of transformation within the industry, sales dependency on combustion engine technology and the pace of transformation are considered to be influencing factors. This also includes the possibility of growth in the fuel cell market in general or market acceptance in individual regions falling short of original expectations.

If one or more customers are confronted with abrupt or significant declines in demand volumes on the end-customer market, this may also impact on ElringKlinger by reducing demand for products supplied by the Group. Similarly, manufacturers may – especially when undergoing a transformation process – revise their product strategies or consider the option of in-house production of certain components or systems that they had previously purchased. In the event of a possible dip in demand, the Group will have to take account of the duration of agreements at an early stage and adjust its capacity planning if necessary. Claims for compensation generally arise in the event of exceptional deviations from the demand volumes originally agreed.

ElringKlinger has continually broadened its customer structure in recent years and, as a rule, is not dependent on individual customers or specific developments. The largest single customer accounted for 7.1% (2023: 8.5%) of annual revenue in 2024. Moreover, there are further sales opportunities available through global battery manufacturers setting up production in Europe and looking for local suppliers. The nomination received in March 2021 for cell contacting systems, production of which has ramped up noticeably in 2024, is a testament to the ability to progressively tap into a new customer group.

Nevertheless, revenue-related risks may exist with regard to individual orders and/or individual sites, particularly if orders that are about to expire are not followed up or existing projects fall short of expectations originally agreed. In situations like these, ElringKlinger devises mitigation strategies and usually negotiates directly with the customer. In the case of new manufacturers within the area of e-mobility, there tends to be some uncertainty as to how business will develop while production and marketing are still in the initial stages. This may lead to fluctuations in orders, which will have an impact on revenue.

The ElringKlinger Group's business model is based on a robust culture of innovation and on the principle of technological leadership. The company seeks to develop technologically sophisticated products and to manufacture them with a high degree of productivity. The product portfolio was oriented toward technological change at an early stage. Due to its focused positioning in new drive technologies, the Group considers itself well positioned to benefit from an accelerated pace of change within the automotive sector. ElringKlinger will continue to pursue and develop this strategy as it moves forward.

In its fields of the future in particular – i. e., battery technology, fuel cell technology, components for electric drive units, and lightweight structural components – ElringKlinger has attractive markets for sustainable revenue and earnings growth through further orders, including high-volume ones. Building on the nominations it has received in recent years, the Group sees tremendous potential here to significantly expand its revenue in the future. There are sales opportunities for both new drive technologies in the E-Mobility business unit and innovative solutions in the conventional business units.

A slower transformation process would mean comparatively greater demand for combustion engine components. The Group would therefore be able to exploit its current market position in this area and make the most of the earnings this could generate. New competitors are unlikely within these established markets, not only for strategic reasons but also in light of the considerable equipment investments they would need to make to enter ElringKlinger's market segments.

The aftermarket business has key sales markets in Europe and the Middle East. Further business potential is emerging in North America and Asia, which is why activities there are being systematically expanded.

The Engineered Plastics segment is also concentrating on North America and Asia when it comes to penetrating new markets in order to realize growth opportunities. Nevertheless, there is a market risk due to the short-term nature of the business. The risk of dependence on the combustion engine exists only to a proportionate extent in this segment, as no more than half of the revenue is generated within the automotive business and parts of this revenue are generated in respect of alternative drive technologies. The industry segments are already highly diversified. Furthermore, products such as the rotary shaft seal have been developed that offer opportunities in the electromobility market and cushion the proportionate risk. The trend towards miniaturization in the medical industry and the trend towards renewable forms of energy in the energy sector, such as hydrogen production or energy storage, also offer opportunities.

Given the general level of uncertainty, overall, the Group's sales risk for the twelve-month period under review can be regarded as very high in the context of the applicable classification. At the same time, there are opportunities for the Group to exploit, which can be classed as high.

Logistical opportunities and risks

The smooth functioning of supply chains is of crucial importance when it comes to competitiveness and success. Supply chains can be significantly disrupted by natural disasters, political instability, or global pandemics. Delays to production or downtime may occur in those cases in which commodities or input materials are not available or do not arrive in good time at the intended destinations.

Possible disruptions to production and delivery processes can be countered immediately by the Group opting for special freight services, which often involve air transportation and thus tend to be expensive. ElringKlinger always invoices such additional costs in accordance with the originator principle.

In addition, the Group employs an extensive set of tools to avoid logistical risks in the first place. These include supplier diversification to prevent dependencies from arising. At the same time, relationships with existing suppliers are strengthened to forge close ties. In this regard, it has been shown that transparency in a long-term supplier relationship particularly serves to strengthen mutual trust.

Logistical risks also include the risk of creating inventories of raw materials, semi-finished products, and finished products with a low turnover rate. ElringKlinger counters this by continuing to conduct regular reviews of the inventories held within the Group with regard to their turnover rate. Stocks with a low turnover rate are evaluated to determine whether they should be used, sold, or scrapped. ElringKlinger applies stringent inventory management and monitoring. In those cases in which deviations are identified, specific measures are introduced to achieve the desired objective through optimized planning, management, and negotiations with suppliers, among other things.

Overall, these risks are expected to be very low. The opportunities are categorized as very low. This is also underpinned by the potential offered in regard to the continuous improvement process.

Overall assessment of opportunities and risks

As regards the overall assessment of the respective opportunities and risks, the Management Board concludes that the overall risk position has improved slightly compared to the previous year. Based on the value-at-risk concept, the aggregated net risk has decreased significantly, while the expected net impact has also fallen sharply.

Sales risks continue to play a significant role as regards the Group's overall risk profile. In this context, claims for compensation and transformation within the industry as well as sudden or unexpected changes in the market are considered to be key influencing factors. When examining aggregate risk, it also becomes evident that, in addition to the higher quality-related risks, the more pronounced general economic, strategic and trading risks are reflected in higher risk classifications. The geopolitical, trading, and economic climate is characterized by a high degree of uncertainty. Armed conflicts persist; the recent announcement of trade tariffs may prompt retaliatory policies. This has further compounded the situation within the economic arena, which on the whole remains subdued, particularly in Europe, and it also has repercussions for a cyclical sector such as the automotive industry. In addition, new manufacturers with new value chains are entering the market as industry transformation progresses. Despite the general dangers associated with advancing digitalization, IT-related risks in the context of the value-at-risk concept have declined significantly, while the anticipated impact has decreased slightly. However, digitalization also offers opportunities to reduce costs, which are reflected in a slightly higher opportunity classification. In general, financial exchange rate risks cannot be ruled out for a Group operating internationally, nor can compliance risks from a legal perspective. They have risen by one category. In addition, the more pronounced risk in the area of human resources must be taken into account in view of the fierce – also at an international level – competition for skilled employees, although the opportunities have also increased due to the focus of the SHAPE30 strategy.

ElringKlinger's risk management system – in combination with a flexible cost structure – is designed to identify risks and take appropriate measures to counteract them in a timely manner. In the context of Group risk management, work is continuing on risk-mitigating measures and the method for identifying risks is being continuously refined. In financial terms, ElringKlinger continues to possess a robust foundation. The risks associated with cooperations and equity investments have fallen by one category, while the opportunities have risen by one category. Default risks have also been reduced by one category. Net debt has been scaled back significantly and is at its lowest level in thirteen years. The financial position in terms of the company's balance sheet remains extremely solid. Thus, the Group continues to be in a position of strength as regards its ability to raise new funds. ElringKlinger considers itself to be well positioned, in terms of flexibility, to embrace the next stages of transformation within the mobility sector. The same applies to its ability to respond to a potential recession.

ElringKlinger continues to see tremendous opportunities in the transformation of mobility, a process driven by climate change and emissions legislation. Drawing on its innovative technologies, ElringKlinger can contribute to the reduction of CO_2 emissions in the mobility sector. The Group was quick to focus on future-facing business units such as battery and fuel cell technology and has secured high-volume series production nominations, some of which are already ramping up or are in preparation for ramp-up. These orders are a testament to the market proximity and competitiveness of the Group's forward-looking business. As they ramp up, these projects look set to shape the Group's forthcoming growth cycle. If – as is currently being discussed at a political level – regulations are relaxed or bans on combustion engine vehicles are postponed, ElringKlinger would be able to build on its strong market position with regard to the relevant components and utilize its existing production capacities for a more extensive period of time. Thus, ElringKlinger is also robustly positioned when it comes to withstanding a possible slowdown in market transformation. Other operational opportunities, such as in the areas of production, quality, and logistics, have also trended slightly higher thanks to the potential offered by the continuous improvement process.

The Group has not identified risks at present that might jeopardize its future existence as a going concern, either in isolation or in conjunction with other factors. The Group has established a forward-looking and financially robust position, allowing it to actively exploit the opportunities presented by market transformation and to apply its financial resources flexibly for the purpose of shaping change within the field of mobility. Thus, from the Management Board's perspective, ElringKlinger is well positioned to help shape next-generation mobility and tap into opportunities in other areas of application for new technologies, while maintaining a balanced opportunity and risk profile.

Disclosures pursuant to Section 289a and Section 315a HGB,

particularly with regard to share capital and disclosure of potential takeover obstacles

As of December 31, 2024, the nominal capital of ElringKlinger AG was EUR 63,359,990, divided into 63,359,990 registered shares, each furnished with one vote. The notional interest in the company's nominal capital is EUR 1.00 per registered share. The rights and obligations associated with the shares are set out in the German Stock Corporation Act. Profits are distributed in accordance with Section 60 of the German Stock Corporation Act (Aktiengesetz – AktG) in conjunction with Article23 no. 1 of the Articles of Association.

The direct or indirect shareholdings in the capital of ElringKlinger AG with more than 10% of the voting rights based on the shareholding figures most recently communicated to ElringKlinger AG pursuant to Sections 33, 34 of the Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and Sections 21 et seqq. WPHG in the version applicable prior to January 3, 2018, are listed below:

Date	Disclosed by	Shareholding
May 17, 2018	Lechler Stiftung, Stuttgart/Germany	52.04% (attributed: 51.05%)
May 17, 2018	Stiftung Klaus Lechler, Basel/Switzerland	51.05% (attributed: 51.05%)
May 17, 2018	Klaus Lechler Familienstiftung, Neuhausen a.d. Fildern/Germany	51.05% (attributed: 51.05%)
November 13, 2014	Paul Lechler GmbH & Co. KG, Neuhausen a.d. Fildern/Germany	10.03%
June 13, 2014	Eroca AG, Basel/Switzerland	29.01% (attributed: 19.80%)
June 13, 2014	Klaus Lechler Beteiligungs-GmbH, Ludwigsburg/Germany	29.01% (attributed: 28.43%)
June 13, 2014	KWL Beteiligungs-GmbH, Ludwigsburg/Germany	29.01% (attributed: 28.43%)
June 13, 2014	Paul Lechler Stiftung gGmbH, Ludwigsburg/Germany	29.997% (attributed: 29.01%)
June 13, 2014	Lechler Beteiligungs-GmbH, Stuttgart/Germany	29.01% (attributed: 19.55%)
June 13, 2014	Inlovo GmbH, Ludwigsburg/Germany	29.01% (attributed: 29.00%)
June 13, 2014	Elrena GmbH, Basel/Switzerland	29.01% (attributed: 19.26%)

No shareholder is equipped with special rights constituting controlling powers. The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares.

ElringKlinger does not operate any employee profit-sharing schemes.

The number of Management Board members is determined by the Supervisory Board (Section 7 of the Articles of Association). The appointment and dismissal of Management Board members is performed in accordance with Sections 84 and 85 of the

German Stock Corporation Act (Aktiengesetz – AktG) in conjunction with Section 31 (2–5) MitbestG. The Articles of Association contain no regulations that could be considered non-compliant with the provisions set out by law as regards the conditions applicable to the appointment or dismissal of Management Board members.

As stipulated by Section 179 of the Stock Corporation Act in conjunction with Article 20 of the Articles of Association, all amendments to the Articles of Association require a resolution of the Annual General Meeting with a majority of three-quarters.

The Management Board is authorized to buy back company shares up to a total amount of 10% of share capital existing at the date on which this resolution was passed (July 7, 2020). This authorization remains valid until July 7, 2025. No use has been made of this authorization to date.

Pursuant to the resolution of the Annual General Meeting on May 19, 2022, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital in the period up to May 19, 2027, through the issue of new shares for cash/non-cash contributions, in one or more stages, by an aggregate of no more than EUR 31,679,995 (Authorized Capital 2022). Fundamentally, shareholders are to be furnished with a subscription right. The shares may also be taken up by one or several banks, with the proviso that said shares shall be offered to shareholders for subsequent subscription. However, the Management Board shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right of shareholders

- in order to eliminate fractional amounts;
- if and when the increase in share capital is executed for a non-cash contribution in particular for the purpose of acquiring companies, parts of companies, or shareholdings in companies or other assets associated with acquisition plans or as part of business combinations and the shares issued with an exclusion of the subscription right represent no more than 10% of the share capital in total, this being the case neither at the date at which this authorization comes into effect nor at the date at which it is exercised;
- if and when the new shares are issued for a cash contribution and the issue price for each new share is not significantly below the market price of the existing exchange-listed shares and the shares issued with an exclusion of the subscription right pursuant to Section 186(3) sentence 4 AktG represent no more than 10% of the share capital in total, this being the case neither at the date at which this authorization comes into effect nor at the date at which it is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of subscription rights, in direct or analogous application of Section 186(3) sentence 4 AktG, shall be included in the maximum limit of 10% of share capital.

The conditions and details of share issuances from Authorized Capital 2022 shall be determined by the Management Board with the approval of the Supervisory Board. The Management Board has not yet made use of this authorization.

ElringKlinger has not entered into any agreements containing a change of control provision that would apply in the event of a takeover bid.

There are no compensation agreements with members of the Management Board or employees in the event of a takeover bid.

Corporate Governance Statement

The combined Corporate Governance Statement pursuant to Section 315d in conjunction with Section 289f of the German Commercial Code (Handelsgesetzbuch – HGB) has been published on the ElringKlinger website at www.elringklinger.de/en/company/corporate-governance/corporate-governance-statement.

Combined Non-Financial Report

ElringKlinger has prepared a separate combined non-financial report for the 2024 financial year in accordance with Sections 289b and 315b HGB, which is included in the 2024 annual report as a separate section entitled "Combined non-financial report." The 2024 annual report is to be published on March 27, 2025, on ElringKlinger's website at https://elringklinger.de/en/investor-relations/reports-presentations/financial-reports-pulse-magazine.

Report on Expected Developments

Forecasts by economists suggest that global economic growth will remain modest in 2025 at 3.3%[8]. Economic activity at an international level is likely to receive a tailwind from more favorable financing terms, whereas the prospects for global trade would appear to be bleaker in view of additional policies considered restrictive to trade. Against a challenging backdrop, ElringKlinger anticipates profitable growth and a sustained improvement in operating free cash flow on the basis of the nominations received.

GDP growth projections

Year-on-year change (in %)	2024	Projections 2025
World	**3.2**	**3.3**
Advanced economies	1.7	1.9
Emerging and developing countries	4.2	4.2
Eurozone	0.8	1.0
Germany	- 0.2	0.3
USA	2.8	2.7
Brazil	3.7	2.2
China	4.8	4.6
India	6.5	6.5
Japan	- 0.2	1.1

Source: International Monetary Fund (Jan. 2025)

Outlook – Market and Sector

Global trade amid economic policy uncertainty

Economic analysts take the view that the global economy is likely to continue to grow in 2025. However, the chances of a noticeable global upturn remain slim against the backdrop of economic policy uncertainties and structural problems in some economies. The service sector will continue to represent a mainstay in this respect.

Among the essential driving forces are anticipated interest rate cuts by the world's key central banks in the United States and the eurozone on the back of ongoing deflationary trends. The decline in inflation is accompanied by a rise in real wages, which should boost private demand in the forecasting period. In contrast, the assumption is that protracted geopolitical conflicts such as the crisis in the Middle East and the war in Ukraine, as well as escalating trade conflicts, will act as a brake on global trade and production. In this context, for example, the stance taken by the new US administration is likely to prompt additional tariffs, which in turn could result in countermeasures that adversely affect trade and hamper the expansion of export-led economies such as China, in particular, but also the eurozone.

Against the backdrop of muted domestic demand, the US economy is expected to experience a slowdown in growth, whereas the eurozone is likely to see a gradual recovery. An upturn in private consumption and more favorable financing terms are expected to be the principal drivers. Having said that, fiscal policy is projected to be somewhat restrictive, while the manufacturing sector remains sluggish, in part due to structural factors, as in the case of Germany in particular. In combination, this may have a dampening effect on growth. China's economy is set to lose momentum despite the stimulus measures announced by the government in an effort to boost consumption. Alongside persistently lackluster domestic demand, this is attributable to the unresolved real estate crisis, debt-related problems, and more challenging export business. Economic momentum in the other emerging markets is likely to remain intact on the whole.

No growth impetus for global automotive production in 2025

The automotive industry faces major challenges in 2025, particularly when one considers the significance of business location factors and protectionist leanings in international trade policy. Trends in the field of manufacturing are being influenced by the balance between supply and demand within a highly competitive arena as well as by investments made in the context of technological transformation. Estimates for global automotive production of light vehicles (passenger cars and light commercial vehicles) for the current year 2025 indicate that the market is likely to trend sideways. Compared to the slight downturn of - 1.1% in the previous year, this represents a modest improvement. Thus, the total volume would be comparable to the pre-crisis figure of just under 89 million light vehicles produced worldwide in 2019.

The expansion is expected to be driven by continued growth in China and South Asia, with India taking pole position in terms of production output. Europe, by contrast, is again not expected to see any growth in 2025. Projections for vehicle production in North America point to a slight decline for the second year in succession.

Mixed pattern of international demand for cars and light vehicles

The individual sales regions are projected to develop along different lines in the current year and may diverge to some extent from the production trends in the regions. According to the

[8] Gross domestic product (GDP) growth, International Monetary Fund (IMF), Jan. 2025

Light vehicle production

Region	Million units 2024	Million units Projections 2025	Year-on-year change
Europe[1]	16.3	15.6	-4.4%
China	30.1	30.6	1.8%
Japan/Korea	12.0	11.9	-0.8%
Middle East & Africa	2.2	2.2	-3.0%
North America	15.4	15.1	-2.1%
South America	3.0	3.2	6.6%
South Asia	9.6	9.9	3.5%
World	**89.5**	**89.5**	**0.0%**

[1] Without Russia
Source: S&P Global Mobility (Feb. 2025)

German Association of the Automotive Industry (VDA), all of the main core markets are likely to see at least slight growth in terms of newly registered passenger cars and light vehicles. At 80.4 million new vehicles and an annual increase of around 2%, the global market is expected to rise above the pre-pandemic level of 2019 (77.7 million passenger cars/light vehicles).

In Europe (EU, EFTA, and UK), the market is expected to grow at a modest level by around 2% to 13.2 million newly registered cars. The ramp-up of electromobility in Europe as a result of the CO_2 fleet regulation enacted by the European Union could become of increasing relevance from 2025. For the United States, the VDA anticipates further modest growth of around 2% to 16.2 million newly registered light vehicles. At 23.2 million new cars, sales growth in China is expected to slow to around 1%. On the back of double-digit growth in the previous year, Brazil could see another sharp rise in sales of around 7% to 2.7 million light vehicles.

Upturn in commercial vehicle production

After the sluggish performance in 2024, the forecasts for commercial vehicle production point to a more favorable scenario in 2025. According to estimates by industry data service provider S&P Global E-Mobility, global production of medium and heavy commercial vehicles is expected to increase by 4.0% to 3.1 million newly produced units, with growth of 4.7% to 2.3 million units being attributed to the heavy truck segment (Class 8, 16 tons and above). While moderate growth is expected for Europe, Germany, and China, production in North America is more likely to be flat.

Outlook – Company

This section outlines management's forecast for the ElringKlinger Group in respect of both the current financial year 2025 and the medium term. The Group defines this as a period of 3 to 5 years.

Politically and economically challenging market environment

Market conditions in the automotive industry continue to be defined by a high degree of uncertainty. Ongoing armed conflicts such as those in Ukraine or the Middle East are a prime example. Despite peace efforts, it is impossible to rule out a further escalation of hostilities in both regions. This is compounded by other geopolitical frictions, such as those experienced in the South China Sea or around the Red Sea, as well as debate surrounding shipping routes, e.g., in the Arctic region and through the Panama Canal. In addition, global trade may be impacted by tariffs and associated measures announced by a number of countries and economic regions, potentially leading to more pronounced inflationary pressure. The adverse effects would be particularly severe in the case of global industries such as the automotive sector. Alongside geopolitical and trade policy factors, other external effects such as extreme weather events or further waves of the pandemic may influence the direction or scale of projected economic developments at any time.

Global light vehicle production already contracted by 1.1% in the financial year just ended – with a disproportionately large reduction in North America and Europe in particular, while production output in Asia-Pacific rose slightly. Looking ahead, 2025 is not expected to see any global growth either. The markets in Europe and North America are likely to shrink again, while Asia-Pacific and China are expected to trend slightly higher. After a slowdown in e-mobility sales, particularly in the second half of 2024, initial figures at the beginning of 2025 suggest a return to more robust demand for electric vehicles.

Against this backdrop, it remains fundamentally difficult to paint a reliable picture as to how the global economic and political situation will evolve over the course of ElringKlinger's 2025 financial year. The same applies to business expectations in relation to the global automotive markets, measured in terms of projected light vehicle production.

Orders in positive territory

The Group's order intake and order backlog must be distinguished from so-called nominations. Order backlog refers to the customer call-offs – systematically recorded – executed as part of their delivery scheduling arrangements, which extend over periods of several months up to 24 months from the date of data collection. Order intake encompasses the changes in these call-offs within a specific period.

Order intake developed favorably in the financial year just ended, reflecting the growth trajectory in the electromobility sector in particular. In 2024, the Group received orders worth EUR 1,793.1 million, which corresponds to an increase of EUR 102.6 million or 6.1% despite the noticeable headwind caused by exchange rate movements. Based on the assumption of stable exchange rates, growth would have stood at EUR 145.2 million or 8.6%.

Excluding the amount relating to the two divested companies in Switzerland and the United States, which were deconsolidated with effect from December 31, 2024, order backlog totaled EUR 1,158.6 million at the end of the reporting period (Dec. 31, 2023: EUR 1,305.2 million). Adjusting the prior-year figure accordingly for the two entities (Dec. 31, 2023 adjusted: EUR 1,152.3 million), this represents a slight year-on-year improvement. In this case, order backlog increased marginally by EUR 6.3 million or 0.5%. Assuming stable exchange rates, year-on-year growth was slightly higher at EUR 22.7 million or 2.0%.

Further revenue growth driven by ramp-up of high-volume orders

Industry service providers such as S&P Global Mobility are not anticipating growth for the current financial year, with North America and Europe expected to see declines. The Group will not be able to detach itself from this trend. The continued ramp-up of high-volume production orders, particularly in the field of new technologies such as cell contacting systems, is expected to have a contrary effect. The revenue contributions from these orders are expected to increase in the coming years. The two entities in Switzerland and the United States, the sale of which was contractually agreed on October 7, 2024 (cf. "Important Events" section), generated revenue of EUR 158.9 million in 2024. After the closing on December 31, 2024, these entities are no longer to be included in projections for 2025. Overall, on this basis (reference figure of EUR 1,644.2 million as the difference between Group revenue in 2024 of EUR 1,803.1 million less EUR 158.9 million), the Group expects organic revenue, i.e., adjusted for currency and M&A effects, to be roughly on a par with the previous year. In the medium term, the Group expects moderate organic revenue growth against the backdrop of market performance and order ramp-ups.

Fundamentally, currency effects are difficult to predict. Acquisitions cannot be ruled out for the 2025 financial year either. In such a case, the focus is on enterprises that either strengthen the existing product portfolio or provide improved market access. Any such transactions are unlikely to be much larger in volume terms than those carried out to date. Similarly, disposals of segments or parts of segments cannot be ruled out.

Commodity, energy, and transportation costs remain high

In recent years, commodity prices have risen sharply in some cases in the wake of the pandemic and geopolitical conflicts. This also applies to the prices of certain key raw materials used by ElringKlinger. Although the prices of the raw materials primarily used by ElringKlinger have eased recently, they still remain at a persistently high level. The same applies to energy and transportation costs. Fundamentally, ElringKlinger anticipates that prices will remain high, particularly in light of the ongoing geopolitical and trade policy frictions. Escalating tensions or unforeseeable events, such as natural disasters or logistical restrictions, could trigger a new price spiral.

Adjusted EBIT highlights operating profitability

ElringKlinger calculates "adjusted EBIT" and expresses it in relation to revenue, as the "adjusted EBIT margin," for the purpose of comparing operating profitability over several periods without the influence of non-recurring items. Adjusted EBIT is defined as reported EBIT without the amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and exceptional items.

Earnings performance influenced by multiple factors

Against the backdrop of challenging market conditions, the Group's earnings performance is influenced by numerous factors. Following the strategic measures in support of the next stages of transformation, the Management Board anticipates positive earnings potential for the coming years. At the same time, the years ahead will see the commencement of work on several large-scale series production orders, which are associated with corresponding ramp-up costs prior to the start of production. Furthermore, the costs attributable to inputs – i.e. raw materials, energy, transportation, and wages – are at a fundamentally high level, with tariffs and the prospect of further levies now adding to the costs. However, there are also signs of easing in individual commodity groups. Overall, ElringKlinger therefore anticipates an adjusted EBIT margin for 2025 of around 5% of Group revenue; in the medium term, the Group expects to be able to lift its adjusted EBIT margin to around 7 to 8%.

Operating free cash flow at around 2 to 4% of Group revenue in the medium term

Operating free cash flow is driven primarily by operating profitability, investments, and the development of net working capital. Based on the projections for these key performance indicators, the Group expects operating free cash flow to correspond to around 1 to 3% of Group revenue in 2025. In the medium term, this metric is expected to improve further; the Management Board is targeting a figure of around 2 to 4%.

ROCE in double-digit range in the medium term

The Group measures its overall profitability on the basis of return on capital employed (ROCE). As the Group is managed on the basis of adjusted EBIT, this key performance indicator will also be reflected in ROCE in future, i.e., the Group will henceforth use adjusted ROCE – with adjusted EBIT as the numerator – as a control criterion. In view of the challenging fundamentals and the persistently high level of uncertainty, the Group is projecting a figure of around 6% for 2025. In the medium term, the Group anticipates a percentage figure of at least 11%.

Slight rise in net debt-to-EBITDA ratio from low base

At EUR 245.9 million, net financial liabilities are at their lowest level in thirteen years. The net debt-to-EBITDA ratio (net financial liabilities in relation to EBITDA) of 1.7 – or 1.2 if adjusted EBITDA is used as the operating metric – is well below the medium-term target of 2.0. This current position forms the basis for the next stage of ElringKlinger's transformation, which includes the ramp-up of series production relating to high-volume orders, preparations for the ramp-up of production for further orders, and the establishment of the Battery Hub Americas in Easley, SC, USA. As a result, the net debt-to-EBITDA ratio is expected to be around 2 in 2025. In the medium term, the Group is aiming for a range between 1.0 and 2.0.

With the equity ratio having dipped slightly below the short- and medium-term threshold of 40% of the balance sheet total as a result of strategic measures aimed at further transforming the ElringKlinger Group, the Group is targeting a figure of just under 40% for the current financial year. In the medium term, the Group anticipates that it will return to the range of around 40 to 50% of the balance sheet total.

Around 4 to 6% of revenue to be directed at R&D in 2025

ElringKlinger's corporate purpose of "Pioneering Innovative Technologies for a Sustainable Future" underscores its emphasis on technology. The Group is focused on developing innovative solutions for its customers and opening up new areas of business. The Group makes targeted use of its expertise to underpin the root-and-branch transformation of the industry in order to develop new products. Overall, the Group is committed to investing around 4 to 6% of its revenue (including capitalized costs) in research and development in 2025. The medium-term target is a range of around 3 to 5% of Group revenue.

Focused and disciplined investment approach

ElringKlinger will continue to pursue its capital expenditure policy in the current financial year, targeting investments in property, plant, and equipment primarily at its strategic fields of the future and at orders received within the area of new drive technologies. Investment activities in the Group's traditional fields of business will also continue to be actively managed. The Group always considers the need, timescale, and financial commitment required very carefully before embarking on any measures. Overall, the Group is anticipating an investment ratio (in property, plant, and equipment as a percentage of Group revenue) of around 4 to 6% in the current financial year and around 2 to 4% in the medium term.

Net working capital ratio to remain below 25% in the short and medium term

The Group is committed to optimizing its net working capital ratio, i. e., net working capital as a percentage of Group revenue. To this end, it is looking to reduce trade receivables, extend liabilities-side payment terms, and manage inventories prudently, especially in times of potential supply chain problems. Against this backdrop, the Group expects the figure for year-end 2025 and in the medium term to be below the level of 25% of Group revenue.

Original Equipment segment

The Original Equipment segment, the Group's largest segment with a revenue share of around 75%, represents the activities of the Lightweighting/Elastomer Technology, Metal Sealing Systems & Drivetrain Components, Metal Forming & Assembly Technology, and E-Mobility business units with the two sub-units Battery and Fuel Cell Technology. The Group's large-scale series production orders were won in this segment and, as a result, the associated ramp-ups are a key determinant of both the Group's and the segment's performance in respect of revenue. Against this backdrop, it can be assumed that this segment will see marked organic revenue growth in the 2025 financial year. In terms of earnings, the adjusted EBIT margin is expected to be roughly on a par with the previous year.

Engineered Plastics segment

Given its broad, cross-industry positioning, the Engineered Plastics segment will continue to benefit from three key trends in the future: transformation within the automotive sector, the trend of miniaturization in the medical devices industry, and the shift towards renewable forms of energy in the energy sector, such as hydrogen production and energy storage. There is scope for additional market potential to be leveraged since the properties of the high-performance plastics used make them ideal for a wide range of applications. The Group anticipates that revenue growth in this segment will be around the Group average in the 2025 financial year. Despite persistently high material prices, the adjusted EBIT margin is expected to be well above the Group average in 2025.

Aftermarket segment

The growth strategy formulated for the Aftermarket segment has been implemented very successfully in recent years. This included efforts to tap into new markets such as the Americas and China and to expand revenue. The Group also anticipates slight revenue growth in this segment for the current 2025 financial year. Possible risks from geopolitical tensions in the sales markets of Eastern Europe and the Middle East may influence business performance, as may opportunities arising from the further successful implementation of the growth strategy in the Americas and Asia.

As regards earnings, the adjusted EBIT margin in this segment is expected to be well above the Group average in 2025.

Parent company ElringKlinger AG

ElringKlinger AG, the Group's parent company, accounts for around 40% of Group revenue and therefore plays a prominent role within the Group. With its broad product portfolio, it is primarily focused on mobility and is therefore anticipating an upturn in revenue, particularly in the strategic fields of the future on the back of the order ramp-ups described above. In view of the slowdown in market momentum and the general expectation of a decline in production in the European market on the one hand and the continued ramp-up of production for high-volume orders relating to cell contacting systems on the other, the Group anticipates slight year-on-year growth in revenue for the parent company in 2025.

The ramp-up of production for high-volume orders is also reflected in the parent company's order book. The order backlog at year-end 2024 amounted to EUR 553.5 million (Dec. 31, 2023: EUR 532.3 million). This figure corresponds to an increase of EUR 21.2 million or 4.0% compared to the previous year.

The parent company, as in the case of the Group, is exposed to numerous factors affecting earnings performance, such as the persistently high level of commodity, energy, and logistics prices, together with customs issues that may be detrimental to earnings. Overall, the adjusted EBIT margin is expected to be around 5% in the 2025 financial year. Reflecting higher capital spending, the figure for adjusted ROCE is set to come in slightly below the level for the Group as a whole. The parent company is expected to generate operating free cash flow in the mid double-digit million euro range.

Outlook – ElringKlinger Group

The Group's main indicators for its 2025 outlook and in the medium term are presented in the following table.

	2025	Medium term (3 to 5 years)	Actual 2024
Key financial control criteria			
Revenue	Organically at around the prior-year level (i.e., reference figure: EUR 1,644.2 million)	Moderate organic growth	-0.9%
EBIT margin (adjusted)	Approx. 5% of Group revenue	Approx. 7 to 8% of Group revenue	4.9%
Operating free cash flow	Approx. 1 to 3% of Group revenue	Approx. 2 to 4% of Group revenue	3.2%
ROCE (adjusted)	Approx. 6%	At least 11%	6.7%
Other internal control criteria and indicators			
R&D costs (including capitalized costs)	Approx. 4 to 6% of Group revenue	Approx. 3 to 5% of Group revenue	5.3%
Investments in property, plant, and equipment	Approx. 4 to 6% of Group revenue	Approx. 2 to 4% of Group revenue	6.0%
Net working capital ratio	Under 25% of Group revenue		19.2%
Equity ratio	Slightly below 40% of total equity and liabilities	Approx. 40 to 50% of total equity and liabilities	39.0%
Net debt-to-EBITDA ratio (net debt/EBITDA)	Approx. 2	1.0 to 2.0	1.7

Dettingen/Erms, March 24, 2025

Management Board

Thomas Jessulat
CEO

Reiner Drews

Dirk Willers

ElringKlinger AG, Dettingen/Erms/Germany

Balance sheet as of December 31, 2024 in EUR k

Assets	Dec. 31, 2024	Dec. 31, 2023
A. Fixed assets		
I. Intangible assets		
1. Purchased industrial rights and licenses	3.072	3.511
2. Goodwill	27	46
3. Advance payments	279	104
	3.378	**3.661**
II. Property, plant and equipment		
1. Property and buildings	125.337	128.134
2. Plant and machinery	82.876	81.148
3. Other equipment, operating and office equipment	22.112	22.723
4. Advance payments and assets under construction	12.960	28.648
	243.285	**260.653**
III. Financial assets		
1. Shares in affiliated companies	286.963	279.291
2. Loans to affiliated companies	458	3.383
3. Equity investments	7.810	21.588
4. Loans to other investees and investors	2.830	3.825
5. Securities classified as fixed financial assets	600	591
	298.661	**308.678**
	545.324	**572.992**
B. Current assets		
I. Inventories		
1. Raw materials, consumables and supplies	41.469	34.795
2. Work in progress	51.001	44.487
3. Finished goods and merchandise	125.721	112.714
4. Advance payments	1.974	444
	220.165	**192.440**
II. Receivables and other assets		
1. Trade receivables	68.676	63.977
2. Receivables from affiliated companies	115.029	260.725
3. Other assets	27.707	28.940
	211.412	**353.642**
III. Cash in hand, bank balances and checks	**9.466**	**609**
	441.043	**546.691**
C. Prepaid expenses	15.730	12.416
D. Excess of covering assets over post-employment benefit liabilities	0	134
	1.002.097	**1.132.233**

Equity and liabilities	Dec. 31, 2024	Dec. 31, 2023
A. Equity		
I. Share capital	**63.360**	**63.360**
II. Capital reserves	**120.827**	**120.827**
III. Revenue reserves		
1. Statutory reserve	3.013	3.013
2. Other revenue reserves	173.957	337.331
	176.970	**340.344**
IV. Net retained profits	**9.504**	**10.600**
	370.661	**535.131**
B. Provisions		
1. Provisions for pensions and similar obligations	96.198	99.404
2. Provision for taxes	8.111	193
3. Other provisions	91.998	75.808
	196.307	**175.405**
C. Liabilities		
1. Liabilities to banks	182.526	243.466
2. Payments received on account of orders	11.582	9.602
3. Trade payables	133.473	94.286
4. Liabilities to affiliated companies	61.055	26.340
5. Liabilities to other investees and investors	47	48
6. Other liabilities	45.019	46.156
	433.702	**419.898**
D. Deferred income	1.427	1.799
	1.002.097	**1.132.233**

ElringKlinger AG, Dettingen/Erms/Germany

Income statement for the financial year from January 1 to December 31, 2024

in EUR k	2024	2023
1. Sales revenue	879.372	855.618
2. Increase in finished goods and work in progress	15.117	2.648
3. Other own work capitalized	48	22
4. Other operating income	58.295	56.152
5. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	-369.280	-353.022
b) Cost of purchased services	-22.227	-26.361
6. Personnel expenses		
a) Wages and salaries	-222.513	-211.941
b) Social security, post-employment and other employee benefit costs	-42.866	-39.214
of which post-employment costs: EUR -2,533 k (2023: EUR -2,555 k)		
7. Amortization, depreciation and write-downs		
a) of intangible assets and property, plant and equipment	-43.937	-29.878
b) of current assets to the extent that they exceed the write-downs that are usual for the business corporation	-35.126	-51
8. Other operating expenses	-271.233	-249.539
9. Income from equity investments	24.595	35.063
of which from affiliated companies: EUR 24,595 k (2023: EUR 35,063 k)		
10. Income from other securities and long-term loans	224	230
of which from affiliated companies: EUR 211 k (2023: EUR 214 k)		
11. Other interest and similar income	13.919	10.500
of which from affiliated companies: EUR 8,351 k (2023: EUR 9,440 k)		
of which income from discounting: EUR 240 k (2023: EUR 0 k)		
12. Write-downs of financial assets	-110.301	-23.045
13. Interest and similar expenses	-16.248	-16.263
of which to affiliated companies: EUR -1,461 k (2023: EUR -691 k)		
of which expenses from unwinding of discount: EUR -2,184 k (2023: EUR -2,000 k)		
14. Taxes on income	-12.420	-27
15. Earnings after taxes	**-154.581**	**10.892**
16. Other taxes	-386	-292
17. Net loss/net income for the year	**-154.967**	**10.600**
18. Withdrawals from other revenue reserves	164.471	0
19. Net retained profits	**9.504**	**10.600**

ElringKlinger AG, Dettingen/Erms/Germany

Notes to the financial statements for the financial year 2024

General information

These annual financial statements of ElringKlinger AG have been prepared in accordance with the provisions of the German Stock Corporation Act (AktG) and the German Commercial Code (HGB) that apply for large business corporations. The Articles of Association contain regulations on profit appropriation. ElringKlinger AG has its registered office in Dettingen/Erms/Germany. The Company is entered in the commercial register of the Stuttgart/Germany Local Court under HRB no. 361242.

The income statement has been prepared using the nature of expense method pursuant to Section 275 (2) HGB.

In order to provide clarity and transparency of the presentation, the financial statements were prepared with figures shown in thousand euros (EUR k). In addition, notes to individual items of the balance sheet and of the income statement as well as disclosures on the composition of line items are included in the notes to the financial statements with supplementary explanations.

The financial year is the calendar year.

Accounting and measurement methods

The accounting and measurement methods presented in this chapter, which essentially remained unchanged in comparison to the prior year, were used to prepare the annual financial statements.

Fixed assets

Additions to purchased **intangible assets** are recognized at acquisition cost.

The Company has not exercised the capitalization option, pursuant to Section 248 (2) HGB, for internally generated intangible assets. Therefore, research and development costs were expensed in full in the period incurred.

Intangible assets with finite useful lives are amortized on a straight-line basis over their expected useful lives of three to five years. In case of a presumably permanent impairment, write-downs are made to the lower fair value as of the reporting date. If the reasons for impairments charged in prior periods no longer apply, these charges are reversed to a maximum amount of amortized acquisition cost.

In accordance with Section 253 (3) sentence 4 in conjunction with sentence 3 HGB, goodwill attributable to Maier Formenbau GmbH, Bissingen an der Teck/Germany, a company which was acquired in 2016, is being amortized over a period of ten years since the expected useful life cannot be reliably estimated.

Additions to **property, plant and equipment** are recognized at acquisition or manufacturing cost. In addition to the direct cost of materials and production, manufacturing cost also includes production overheads and indirect material cost, as well as the appropriate depreciation. Optional components in accordance with Section 255 (2) sentence 3 HGB and borrowing costs are not included.

Property, plant and equipment is depreciated on a straight-line basis over its expected useful lives. The following useful lives are notably used for depreciation: buildings 15 to 40 years, plant and machines three to 15 years, other equipment, operating and office equipment three to 15 years. In case of a presumably permanent impairment, write-downs are made to the lower fair value as of the reporting date. If the reasons for impairments charged in prior periods no longer apply, these charges are reversed to a maximum amount of amortized acquisition or manufacturing cost.

Some movable fixed assets acquired or manufactured until December 31, 2009, are initially depreciated using the declining balance method, transitioning at a later point in time to the straight-line method. Additions subsequent to January 1, 2010, are depreciated on a straight-line basis over the expected useful lives.

Acquisition or manufacturing costs of movable fixed assets with a limited useful life that can be used independently are expensed in full in the financial year they are acquired, manufactured or contributed, provided the acquisition or manufacturing cost of the individual asset less any input tax included does not exceed EUR 250. Each year, a collective item is recorded for low-value assets with acquisition or manufacturing cost of more than EUR 250 and up to EUR 1,000, less any input tax. Starting in the year the collective item is recorded, each annual collective item is reversed by 20% through profit or loss over a period of five years. The collective item is not reduced if a low-value asset is disposed of prematurely.

Additions to **financial assets** are valued at acquisition cost. Shares in affiliated companies and equity investments are recognized at the lower of cost or, in case permanent impairment is expected, market value as of the reporting date. Loans are recognized at their nominal value; non-interest-bearing loans are recognized at present value using a risk-equivalent, maturity-specific cost of debt. Write-downs are made in case of permanent impairment as required. The fair value of the shares in affiliated companies and equity investments is determined as part of an impairment test as of the reporting date using a valuation model whose calculations are based on an income capitalization approach. The calculation is based on the medium-term planning prepared by the executive directors of the affiliated companies, which is extrapolated using assumed long-term growth rates and from which the respective distributable net income for the year is derived. In calculating the fair values, the valuation model uses discount rates which are determined based on the cost of equity of the affiliated companies. The impairment tests for loans are also performed using the medium-term planning which serves as a basis for each company. As regards the future loan portfolio, the expected amortization period is derived from the future free cash flows. Write-downs to the lower fair value are made in case of permanent impairment.

Securities classified as financial assets are recognized at the lower of cost or market value in case of permanent impairment.

If the reasons for impairments of financial assets charged in prior periods no longer apply, these charges are reversed to the fair value as of the reporting date up to a maximum amount of acquisition cost.

Current assets

Inventories are recognized at acquisition or manufacturing cost applying simplified valuation options in accordance with the lower of cost or market principle.

Raw materials, consumables and supplies as well as merchandise are measured at the moving weighted average acquisition cost. Agreed values have been set up in an immaterial amount.

Work in progress and finished goods are measured at manufacturing cost. Manufacturing cost includes elements from Section 255 (2) HGB which must be capitalized. Borrowing costs are not considered. If sales prices fall below the manufacturing cost, lower sales prices are recognized. Valuation allowances are made to account for identified impairment from obsolescence and poor quality and to account for lower net realizable values.

Work in progress and finished goods also comprise customer tools, among others, for which customers acquire legal and economic ownership. These customer tools are recognized under inventories until the transfer of beneficial ownership.

Receivables and other assets are recognized at nominal value. Valuation allowances are recognized for individual risks identified for receivables and other assets. The general credit risk is taken into account through lump sum valuation allowances.

Cash on hand and bank balances are measured at nominal value.

Prepaid expenses

Payments made before the reporting date are recognized as **prepaid expenses** if they represent an expense for a certain time after the reporting date.

The excess of plan assets over post-employment benefit liabilities is the balance of post-employment benefit obligations and assets that are exempt from claims asserted by all other creditors and that serve exclusively to settle liabilities from post-employment benefit obligations or similar long-term liabilities (“covering assets”). Existing covering assets are recognized at fair value.

Equity

Share capital is recognized at the notional interest of the no-par-value shares.

Provisions

Provisions for pensions and similar obligations as of December 31, 2024 are measured in accordance with actuarial principles using the projected unit credit method. The 2018 G HEUBECK MORTALITY TABLES are used as the biometrical basis for calculation. The average market interest rate of the past ten financial years is applied as the actuarial interest rate assuming a remaining term of 15 years. In addition to this, salary and pension trends are applied, as are age and gender-specific staff turnover probabilities. Pension provisions are measured by applying an interest rate of 1.90% (2023: 1.83%). In addition, the calculation assumes a 3.00% income trend (2023: 3.00%), a 1.20% career trend (2023: 1.20%), a pension trend of 2.00% (2023: 2.10%) for benefit entitlements and 2.00% (2023: 2.10%) for current pensions and average staff turnover of 4.40% (2023: 4.00%).

The assets which serve exclusively to fulfill the pension obligations, and which are protected against claims asserted by all other creditors (covering assets within the meaning of Section 246 (2) sentence 2 HGB) were measured at their fair value and offset against the corresponding provisions. Special-purpose and pledged employer’s pension liability insurance that is protected from insolvency serves as covering assets. The fair value of the employer’s pension liability insurance claim is equal to the insurer’s unearned premium reserve plus the participation definitively allocated as of the reporting date.

Partial retirement obligations are measured using the interest rate published by the German Central Bank (Section 253 (2) HGB) of 1.49% (prior year: 1.05%). It should be noted that the interest rate (seven-year average) was projected to the reporting date on the basis of the German Central Bank’s publications as of Oct. 31, 2024. In doing so, an average remaining term of two years was assumed for the partial retirement obligations. Provisions for partial retirement obligations are recognized according to the block model. Provisions for partial retirement were recognized for partial retirement contracts agreed as of the reporting date, as well as potential future contracts. They include top-up amounts and the Company’s settlement obligations which have been accrued as of the reporting date.

The assets which serve exclusively to fulfill the partial retirement obligations, and which are protected against claims asserted by all other creditors (covering assets as defined by Section 246 (2) sentence 2 HGB) were measured at their fair value and offset against the corresponding provisions. The special-purpose and pledged trust agreement which is protected from insolvency on asset transfer, reimbursement and agency between ElringKlinger AG and ElringKlinger Vermögenstreuhänder e.V., Dettingen/Erms/Germany, and ElringKlinger Mitarbeitertreuhänder e.V., Dettingen/Erms/Germany, dated March 7, 2005 was identified as covering assets for the partial retirement obligations. The fair value of the covering assets is based on the valuation of the cash investment at the rate as of the reporting date.

Provisions for **long-service awards** are measured on the basis of actuarial principles using the projected unit credit method applying the average market interest rates of the past seven years for an assumed remaining term of 15 years of 1.97% (2023: 1.76%) and the 2018 G HEUBECK MORTALITY TABLES. In addition, the calculation assumed a 3.00% income trend (2023: 3.00%), a 1.20% career trend (2023: 1.20%), an inflation rate of 2.00% (2023: 2.10%), average staff turnover of 4.40% (2023: 4.00%) as well as an increase in the income ceiling for the assessment of contributions to the statutory pension and health insurance schemes of 3.00% (2023: 3.00%).

Other provisions are established for all recognizable risks for expected losses from pending transactions and uncertain liabilities and are measured at the settlement value based on sound business judgment and taking into account price and cost increases.

Tax provisions are determined based on sound business judgment and measured at their settlement value.

Provisions due in more than one year are discounted using the average market interest rate of the past seven years corresponding to their remaining term. Pension provisions are discounted using the average market rate of the past ten years, assuming a remaining term of 15 years.

Liabilities

Liabilities are recognized at their settlement amount.

Deferred income

Payments received prior to the reporting date are recognized as deferred income if they represent income for a certain time after the reporting date.

Foreign currency items and currency translation

Assets and liabilities denominated in foreign currencies are translated at the middle spot exchange rate in effect on the reporting date. For assets and liabilities due in more than one year, foreign currency is valued in accordance with the historical cost convention or the imparity principle in accordance with Section 253 (1) sentence 1 or Section 252 (1) no. 4 clause 2 HGB.

Deferred taxes

Deferred taxes are recognized at a tax rate of 29.1% (2023: 29.1%) for the temporary and quasi-permanent differences arising between the carrying amounts of assets, liabilities, prepaid expenses and deferred income compared with their respective tax bases. Any tax loss carryforwards are also taken into account if the loss carryforwards are expected to be utilized in the future. Deferred tax assets and liabilities are offset against each other. Exercising the option under Section 274 (1) sentence 2 HGB, any resulting net deferred tax asset is not recognized.

Deferred taxes are calculated using an effective tax rate of 29.1% (2023: 29.1%). This rate takes into account the rates that are expected when the differences are reversed and is the sum of 15.8% (2023: 15.8%) for corporate income tax including the solidarity surcharge and trade tax of 13.3% (2023: 13.3%). The tax rate for municipal trade tax is determined on the basis of the average trade tax multiplier of 378.6% (2023: 379.1%).

Notes to the balance sheet

Fixed assets

The statement of changes in fixed assets of ElringKlinger AG and the list of shareholdings are attached as appendixes to these notes to the financial statements.

Economic property of EUR 189 k (2023: EUR 1,257 k) was transferred to a subsidiary.

In addition to shares in affiliated companies and equity investments, financial assets include loans and securities.

With effect as of August 8, 2024, Elring Klinger Motortechnik GmbH, with registered office in Idstein/Germany, merged into ElringKlinger AG, with registered office in Dettingen/Erms/Germany, with retroactive effect as of January 1, 2024. The merger does not have any material impact on the balance sheet items.

On October 7, 2024, ElringKlinger AG, with registered office in Dettingen/Erms/Germany, signed an agreement with Certina Group, with registered office in Grünwald/Germany, on the sale of the wholly owned subsidiary ElringKlinger Switzerland AG, with registered office in Sevelen/Switzerland, as well as another indirectly affiliated company. The transaction was closed on December 31, 2024.

The shares in ElringKlinger Holding USA, Inc., with registered office in Wilmington/USA, increased following a contribution to the capital reserves by the waiver of liabilities in the amount of EUR 99,457 k, for which impairment losses were recognized in part on account of an expected permanent impairment.

The amounts recognized for shares in affiliated companies were written down by EUR 91,915 k (2023: EUR 17,790 k) due to impairments that are expected to be permanent. Write-ups of EUR 350 k (2023: EUR 23,930 k) were recorded for shares in affiliated companies, as the reasons for impairments charged in previous years no longer applied.

Impairment losses of EUR 3,275 k (2023: EUR 600 k) were recorded for loans to affiliated companies. Write-ups of EUR 0 k (2023: EUR 3,383 k) were recorded for the amounts recognized for loans to affiliated companies, as the reasons for impairments charged in previous years no longer applied.

The amounts recognized for equity investments were written down by EUR 15,111 k (2023: EUR 4,655 k).

Receivables and other assets

Receivables from affiliated companies amount to EUR 115,029 k and comprise other assets of EUR 78,779 k (2023: EUR 203,147 k) relating to financial transactions before impairment. Impairments losses of EUR 35,126 k were recorded on these receivables (2023: EUR 51 k). In the income statement, these impairment losses were presented under “Write-downs of current assets to the extent that they exceed the write-downs that are usual for the Company”. Receivables from affiliated companies were written up by EUR 155 k (2023: EUR 7,613 k). The write-ups were recognized under other operating income in the income statement. Sundry receivables from affiliated companies of EUR 12,771 k (2023: EUR 34,015 k) continue to result from trade. In addition, an amount of EUR 23,479 k (2023: EUR 23,563 k) relates to a rental matter in respect of an affiliated company. Of this amount, EUR 203 k (2023: EUR 203 k) have a remaining term of up to one year, EUR 1,171 k (2023: EUR 1,080 k) a remaining term of one to five years and EUR 22,104 k (2023: EUR 22,280 k) a remaining term of more than five years.

Other assets of EUR 1,477 k (2023: EUR 796 k) have a remaining term of more than one year. As in the prior year, all other receivables and other assets are due in less than one year.

Excess of covering assets over post-employment benefit liabilities

The excess of covering assets over post-employment benefit liabilities reported in the prior year is the result of offsetting post-employment benefit obligations against the assets which serve exclusively to fulfill such obligations and which are protected against claims asserted by all other creditors (covering assets within the meaning of Section 246 (2) sentence 2 HGB). The disclosures on offsetting in accordance with Section 246 (2) HGB, which led to the disclosure of the excess of covering assets over post-employment benefit liabilities, are included in the note on partial retirement obligations.

Equity

During the financial year 2024, equity developed as follows:

EUR k	Dec. 31, 2023	Dividend	Revenue reserves	Net loss for the year	Dec. 31, 2024
Share capital	63,360	0	0	0	63,360
Capital reserves	120,827	0	0	0	120,827
Revenue reserves	340,344	0	+1,096	0	
(+) Contributions / (-) withdrawals			-164,471		176,970
Net retained profits / accumulated losses brought forward	10,600	-9,504	163,375	-154,967	9,504
Total	**535,131**	**-9,504**	**0**	**-154,967**	**370,661**

The share capital of ElringKlinger AG amounted to EUR 63,359,990 as of December 31, 2024 and is divided into 63,359,990 registered shares, each entitled to a single vote. The share capital is paid in full. Each registered share represents a notional interest of EUR 1.00 of the share capital. Profit is distributed in accordance with Section 23 no. 1 of the Articles of Association, i.e., the profit that results after amortization, depreciation and write-downs, impairments, provisions and reserves – including the appropriation to the legal reserve – will be distributed to the shareholders in accordance with Section 60 AktG.

By resolution of the general meeting held on May 19, 2022, the Management Board is authorized, subject to the approval of the Supervisory Board, to increase the Company’s share capital by issuing new shares for cash and/or in-kind contributions on one or more occasions, however by no more than EUR 31,679,995, by May 19, 2027 (Authorized Capital 2022). As a rule, the shareholders are entitled to subscription rights. The shares may also be acquired by one or more banks subject to the provision that they offer them to the shareholders for subscription. However, the Management Board is authorized, subject to the approval of the Supervisory Board, to exclude shareholders’ subscription rights

- in order to eliminate fractional amounts;
- if the capital increase against in-kind contributions is implemented specifically for the purpose of acquiring companies, parts of companies, equity investments or other assets in connection with an intended acquisition or within the framework of business combinations and the shares issued excluding the subscription rights do not exceed 10% of the share capital, either on the date on which this authorization takes effect or on the date on which it is exercised;
- if the new shares are issued against cash contributions and if the issue price per new share does not fall significantly below the quoted price of shares already listed, and the shares issued without subscription rights pursuant to Section 186 (3) sentence 4 AktG do not represent more than 10% of the share capital in total, either on the date on which this authorization takes effect or on the date on which it is exercised. The upper limit of 10% of the share capital includes any shares issued or sold during the term of this authorization excluding shareholders' subscription rights in direct or indirect application of Section 186 (3) sentence 4 AktG.

The terms and conditions of the implementation of capital increases from the Authorized Capital 2022 are stipulated by the Management Board, subject to the approval of the Supervisory Board.

The Management Board has not exercised the authorization to date.

As of December 31, 2024, revenue reserves comprised a legal reserve amounting to EUR 3,013 k (2023: EUR 3,013 k) and other revenue reserves of EUR 173,957 k (2023: EUR 337,331 k).

Provisions

Pension provisions

As of the reporting date, there were pension obligations of EUR 96,198 k (2023: EUR 99,404 k) which must be covered by provisions.

The difference between the carrying amount of the pension provisions when measured using the seven- and ten-year average interest rates is EUR 1,094 k (2023: EUR 1,192 k). This amount is restricted by law from distribution in accordance with Section 253 (6) HGB.

Pension obligations of EUR 15,352 k (2023: EUR 15,982 k) were offset against the fair value of covering assets of EUR 6,609 k (2023: EUR 6,521 k) pursuant to Section 246 (2) sentence 2 HGB. The fair value of the covering assets exceeds their acquisition cost; this leaves an amount of EUR 805 k (2023: EUR 565 k) that is restricted by law from distribution in accordance with Section 268 (8) HGB. This restriction on distribution is currently not relevant because there are sufficient distributable reserves. The acquisition cost of the employer's pension liability insurance comes to EUR 5,804 k (2023: EUR 5,956 k). Income from the adjustment of covering assets to the higher fair value amounts to EUR 241 k (2023: EUR 182 k). It is netted with the interest component from the expenses for post-employment benefit obligations and reported under interest expenses. In addition, a repayment of EUR 153 k (2023: EUR 150 k) was made from plan assets.

Applying Article 28 Introductory Act to the German Commercial Code (EGHGB), provisions for pensions and similar obligations of EUR 3,373 k (2023: EUR 4,149 k) are not reported in the balance sheet.

Other provisions relate to:

EUR k	Dec. 31, 2024	Dec. 31, 2023
Personnel-related obligations	37,983	26,135
Bonus credits to customers not yet settled	11,658	9,938
Derivative risks	11,014	9,719
Warranty obligations	8,434	8,832
Outstanding supplier invoices	9,252	5,459
Outstanding customer reimbursements	6,687	4,574
Expected losses from customer transactions	2,547	5,358
Advertising subsidy	730	468
Audit fees	850	352
Factoring	426	454
Litigation costs	341	172
Retention requirements	276	291
Sundry risks	1,800	4,056
Total	**91,998**	**75,808**

Personnel-related obligations include partial retirement obligations which must be covered by provisions in the amount of EUR 13,320 k (2023: EUR 5,295 k).

The covering assets of EUR 5,143 k, which existed in the prior year, were paid out in the reporting year and replaced by a trust agreement aimed at protecting partial retirement working time accounts from insolvency, with claims up to an amount of EUR 6,500 k being guaranteed in the case of a claim event.

Personnel-related obligations comprise provisions of EUR 2,648 k for the discontinuation of production activities at a location in Germany.

Provisions for bonus credits not yet settled mainly relate to the Aftermarket segment.

More details of derivative risks can be found under the header “Derivative financial instruments”.

The provision for maintenance warranties relates to the expected claims from warranty obligations to customers. The warranty risk to customers is determined on the basis of the circumstances from individual estimates or from past experience, and appropriate provisions are recognized.

Non personnel-related obligations in connection with the discontinuation of production activities at a German location, which were included in provisions for sundry risks in the prior year, were largely used.

Liabilities

EUR k	Total amount as of Dec. 31, 2024	up to one year	one to five years	thereof due in more than five years	thereof secured	Total amount as of Dec. 31, 2023
Liabilities to banks	182,526	71,934	110,592	0	0	243,466
Payments received on account of orders	11,582	11,582	0	0	0	9,602
Trade payables	133,473	133,473	0	0	0	94,286
Liabilities to affiliated companies	61,055	61,055	0	0	0	26,340
Liabilities to other investees and investors	47	47	0	0	0	48
Other liabilities	45,019	42,733	2,286	0	0	46,156
	433,702	**320,824**	**112,878**	**0**	**0**	**419,898**

EUR k	Total amount as of Dec. 31, 2023	up to one year	one to five years	thereof due in more than five years	thereof secured	Total amount as of Dec. 31, 2022
Liabilities to banks	243,466	143,538	99,928	0	0	282,517
Payments received on account of orders	9,602	9,602	0	0	0	12,619
Trade payables	94,286	94,286	0	0	0	101,012
Liabilities to affiliated companies	26,340	26,340	0	0	0	46,928
Liabilities to other investees and investors	48	48	0	0	0	7
Other liabilities	46,156	43,798	2,358	0	0	37,620
	419,898	**317,611**	**102,286**	**0**	**0**	**480,703**

Liabilities to banks are secured by land charges on operating property (2023: EUR 0 k). With the exception of the customary reservation of title for trade payables, other liabilities are unsecured.

Of the liabilities to banks, an amount of EUR 221,900 k (2023: EUR 157,800 k) relates to a syndicated loan from a syndicate of seven national and international banks. The agreement comprises a group-wide volume totaling EUR 450,000 k and has a term until February 15, 2026. On March 11, 2025, ElringKlinger prematurely entered into a new syndicated loan agreement with a syndicate of also seven national and international banks with a group-wide volume totaling EUR 450,000 k and a term of five years. Further assertions in this respect can be found in the section "Events after the end of the reporting period".

Liabilities to affiliated companies come to EUR 61,055 k (prior year: EUR 26,340 k) in total and comprise other liabilities of EUR 65,489 k (2023: EUR 25,059 k) relating to financial transactions as well as trade receivables offset against the liabilities of EUR 9,278 k (2023: EUR 3,331 k). Besides, trade payables of EUR 4,844 k (2023: EUR 4,612 k) are comprised therein.

Other liabilities include tax liabilities of EUR 2,737 k (2023: EUR 2,655 k), and liabilities relating to social security and similar obligations of EUR 0 k (2023: EUR 1 k).

Deferred taxes

Offsetting the deferred tax assets against the deferred tax liabilities results in a net asset which is not recognized in the balance sheet, exercising the option conferred by Section 274 (1) sentence 2 HGB.

Deferred tax assets in the amount of EUR 24,259 k (2023: EUR 21,754 k) result from the total differences arising between the carrying amounts and tax bases of fixed and current assets, prepaid expenses and deferred income as well as provisions and liabilities. Deferred taxes are measured using a tax rate of 29.1% (2023: 29.1%).

The Company discloses tax loss carryforwards as of December 31, 2024. These result in deferred tax assets of EUR 7,026 k (2023: EUR 6,265 k).

Differences between the carrying amounts and the tax bases resulting in deferred taxes are due to the following issues:

Deferred tax liabilities on differences in carrying amounts for:

EUR k	Dec. 31, 2024	Dec. 31, 2023
Property, plant and equipment	7,255	6,982
Financial assets	637	874
Receivables and other assets	0	446
Trade payables	0	10
Liabilities to affiliated companies	0	9
Special items with an equity portion	1,553	1,553
Total	9,445	9,874

Deferred tax assets on differences in carrying amounts and tax loss carryforwards for:

EUR k	Dec. 31, 2024	Dec. 31, 2023
Intangible assets	16	14
Inventories	1,067	509
Receivables and other assets	163	0
Prepaid expenses	56	184
Tax loss carryforwards	7,026	6,265
Pension provisions	15,430	16,625
Other provisions	9,621	8,031
Trade payables	26	0
Liabilities to affiliated companies	299	0
Total	33,704	31,628

Deferred tax assets, net	24,259	21,754

Deferred taxes developed as follows:

EUR k	Deferred tax assets	Deferred tax liabilities	Balance
Dec. 31, 2023	31,628	-9,874	21,754
Dec. 31, 2024	33,704	-9,445	24,259
Change	2,076	429	1,647

Notes to the income statement

Sales revenue

Breakdown by geographical markets:

EUR k	2024	2023
Germany	306,396	256,369
Rest of Europe	362,858	390,892
North America	66,024	80,918
Asia-Pacific	96,085	85,305
Rest of the world	48,009	42,134
Total sales revenue	**879,372**	**855,618**

Broken down by segment, sales revenue of EUR 579,204 k (2023: EUR 587,258 k) relates to Original Equipment and EUR 300,168 k (2023: EUR 268,360 k) to Aftermarket.

Other operating income

EUR k	2024	2023
Income from write-ups of financial assets and financial receivables	513	34,952
Income from currency translation	6,851	5,277
Income from government grants	5,185	4,699
Income from the reversal of provisions	5,944	7,640
Income from the disposal of fixed assets	1,217	2,692
Income from insurance indemnification payments	76	206
Income from the reduction of valuation allowances	28	58
Income from intragroup recharges	37,645	0
Other operating income	836	628
Total	**58,295**	**56,152**

Other operating expenses include out-of-period items of EUR 5,366 k (2023: EUR 10,390 k), thereof from the disposal of fixed assets of EUR 1,217 k (2023: EUR 2,692 k), reversal of provisions of EUR 4,121 k (2023: EUR 7,640 k) and reduction of valuation allowances of EUR 28 k (2023: EUR 58 k). Out-of-period income from the reversal of provisions also includes corrections of prior-year disclosures on a current account basis of EUR 1,179 k.

The item Income from currency translation primarily relates to realized and unrealized exchange rate gains from the US dollar.

Write-ups on financial assets related to shares in affiliated companies of EUR 350 k (2023: EUR 27,340 k). Write-ups of EUR 155 k (2023: EUR 7,613 k) were recognized on financial receivables. In addition, write-ups of EUR 8 k (2023: EUR 28 k) were recognized on securities classified as financial assets.

Other operating income includes income from intragroup recharges of EUR 36,916 k from the change in the transfer pricing system for affiliated companies.

Other operating expenses

EUR k	2024	2023
Expenses for services	98,283	73,971
Expenses for repairs and cleaning	28,320	23,733
Expenses from the disposal of fixed assets	23,314	6,255
Special direct sales costs	18,342	18,902
Administrative and travel expenses	15,559	13,105
Expenses from currency translation	10,905	3,111
Rent and service charges	6,161	5,803
Other personnel expenses	6,337	5,300
Venture capital costs	2,748	2,579
Sundry expenses	61,263	96,780
Total	**271,233**	**249,539**

Other operating expenses include out-of-period items of EUR 18,897 k (2023: EUR 6,538 k), thereof from the disposal of fixed assets of EUR 18,893 k (2023: EUR 6,255 k) and bad debts of EUR 4 k (2023: EUR 283 k).

Expenses for services primarily include outsourced services and IT services.

Sundry expenses comprise intragroup recharges from the change of the transfer pricing system for affiliated companies of EUR 59,561 k (2023: EUR 93,989 k). Of this amount, EUR 0 k (2023: EUR 64,038 k) relate to out-of-period expenses.

Taxes on income

After offsetting against out-of-period income, taxes on income include out-of-period expenses of EUR 8,575 k (2023: out-of-period income of EUR 3,023 k).

In 2024, ElringKlinger Group introduced a so-called residual transactional net margin method in the OE segment. Aforesaid method was introduced on account of the changed function and risk profile of the production plants in Germany and abroad. Overall, the residual transactional net margin method gears the production plants in Germany and abroad toward a routine margin by means of license rates that vary depending on the region.

The impact of the residual transactional net margin method on the earnings of ElringKlinger AG as entrepreneur of the OE segment mirrors the earnings situation of the production plants.

The new transfer pricing model is not applicable to selected companies due to local particularities.

On Dec. 28, 2023 (published in the German Federal Gazette on Dec. 27, 2023, entered into force on Dec. 28, 2023), the Federal Government of Germany, where the Company has its registered office, transposed the Pillar 2 provisions into national tax law with effect from January 1, 2024. Under the transposed law, the Company is required to pay an additional tax in Germany on profits of its subsidiaries, which are taxed at an effective tax rate of less than 15%. A primary top-up tax is only levied if the so-called country-by-country-reporting safe harbors are not fulfilled and no recognized national top-up tax (NTT) has been introduced in the respective country.

ElringKlinger AG’s current tax expense (income) in connection with the primary/secondary top-up tax amounts to EUR 0 k.

The Company took advantage of the exemption from deferred taxes accounting provisions pursuant to Section 274 (3) HGB. In accordance with said exemption, no deferred taxes related to the primary/secondary top-up tax and no related information are disclosed.

Other taxes

Other taxes contain out-of-period tax expenses of EUR 107 k (2023: out-of-period tax income of EUR 14 k).

Write-downs of financial assets

Write-downs of financial assets include impairment losses on shares in affiliated companies of EUR 91,915 k, on equity investments of EUR 15,111 k and on loans to affiliated companies of EUR 3,275 k.

Other disclosures

Contingent liabilities

There were contingent liabilities from guarantees issued and performance bonds of EUR 176,521 k (2023: EUR 171,748 k), of which EUR 150,903 k (2023: EUR 171,748 k) related to affiliated companies.

In addition to this, ElringKlinger AG has undertaken to guarantee the fulfillment of the obligations entered into by three subsidiaries (ElringKlinger Kunststofftechnik GmbH, Bietigheim/Bissingen/Germany, KOCHWERK Catering GmbH, Dettingen/Erms/Germany, and ElringKlinger Logistic Service GmbH, Rottenburg/Neckar/Germany) before the reporting date in the following financial year. Furthermore, there is an obligation arising from an existing lease agreement at ElringKlinger Logistic Service GmbH upon premature termination. As of the reporting date, the financial risk resulting from being called upon to pay the related obligations amounts to EUR 29,999 k.

ElringKlinger AG has undertaken to furnish other subsidiaries with sufficient funds so that they will be able to maintain their operations and meet their obligations. These amount to EUR 27,215 k.

Given the present business development of the beneficiary companies, it is currently not considered likely that these guarantees will be utilized.

In connection with the approval of public grants totaling EUR 33,769 k, ElringKlinger AG has provided collateral in the form of a land charge of EUR 5,151 k in favor of the funding body for a possible reimbursement claim in accordance with the requirements of the grant notice. ElringKlinger AG does not consider it likely that the land charge will be claimed as it assumes that it will be able to comply with the requirements of the grant.

Off-balance sheet transactions

Debt securitization

To help manage liquidity and optimize working capital, ElringKlinger AG sells a portion of its trade receivables to a structured entity within the framework of an ABCP (asset-backed commercial paper) program. The receivables are sold on a revolving basis at the nominal value of the receivables less variable reserves. The receivables sold are recognized at the amount of the credit risks remaining with the Company and the associated liabilities.

EUR k	2024
Carrying amount of receivables sold as of Dec. 31, 2024	**56,367**
Carrying amount of the risks remaining with the Company and the collateral associated with the receivables sold (other current assets)	1,973
Customer payments received on receivables sold that have not yet been passed on to the structured entity (other current liabilities)	22,337
EUR k	**2023**
Carrying amount of receivables sold as of Dec. 31, 2023	**57,486**
Carrying amount of the risks remaining with the Company and the collateral associated with the receivables sold (other current assets)	2,012
Customer payments received on receivables sold that have not yet been passed on to the structured entity (other current liabilities)	21,333

The financing volume committed under the ABCP program is EUR 100,000 k.

Other financial commitments

2024 EUR k	Total	Remaining term less than one year	Remaining term one to five years	Remaining term more than five years
Contracts for the supply of gas and electricity	17,123	9,431	7,692	0
Rental and lease agreements	7,292	3,282	3,284	726
	24,415	**12,713**	**10,976**	**726**

2023 EUR k	Total	Remaining term less than one year	Remaining term one to five years	Remaining term more than five years
Contracts for the supply of gas and electricity	16,919	11,205	5,714	0
Rental and lease agreements	5,382	2,784	2,578	20
	22,302	**13,989**	**8,292**	**20**

In addition, there are financial commitments to subsidiaries in the amount of EUR 3,301 k (2023: EUR 3,651 k) in connection with loan agreements in place with subsidiaries.

As of the reporting date, there are contractual obligations to acquire property, plant and equipment and intangible assets amounting to EUR 14,602 k (2023: EUR 29,651 k).

A co-shareholder has a put option on all remaining shares in the joint venture entities.

Number of employees

The average number of employees during the year (excluding Management Board members) was as follows:

	2024	2023
Wage earners	1,584	1,610
Salaried employees	1,450	1,347
Total	**3,034**	**2,957**

Related-party disclosures

Pursuant to Section 285 no. 21 HGB, transactions with related parties must be disclosed in the notes to the financial statements, unless they represent transactions with and between companies that are direct or indirect 100% shareholdings and that are included in consolidated financial statements.

In the financial year 2024, there were no transactions with companies which are not wholly owned subsidiaries of ElringKlinger Group that were not carried out at arm’s length; this being said, the following transactions were entered into:

EUR k	2024	2023
Sales revenue from the sale of manufactured goods and other sales revenue	2,554	2,946
License fees	2,779	1,967
Sales of tools	4,361	1,804
Services rendered and other income	18,492	17,591
Services received and other expenses	9,195	3,817
Interest income	2,592	1,203
Interest expenses	769	464
Income from equity investments	8,429	17,427
Loans granted as of the reporting date	37,057	27,457
Other receivables as of the reporting date	33,621	29,955
Loans received as of the reporting date	18,739	15,652
Other liabilities as of the reporting date	2,257	1,491

The item Other receivables as of the reporting date mainly included a rental matter.

In addition, a cooperation agreement concerning traineeships is in place between ElringKlinger AG and Lechler GmbH, Metzingen/Germany. ElringKlinger AG earned EUR 67 k during the reporting year (2023: EUR 48 k). There were no outstanding receivables as of the reporting date (2023: EUR 20 k).

Derivative financial instruments

The bank-confirmed market values were determined using recognized mathematical methods and the market data available as of the reporting date (mark-to-market method).

To reduce the exchange rate risk, in the financial year 2024, one cross-currency swap was concluded in CHF (nominal value EUR 18,801 k) and four in USD (nominal value EUR 100,171 k).

The contracts were marked to market as of the reporting date resulting in a negative market value of EUR 11,014 k from the cross-currency swap in CHF and four cross-currency swaps in USD. A provision for expected losses was recognized in an amount equivalent to the negative market value.

In the prior year, there was one cross-currency swap in CHF and five cross-currency swaps in USD. The contracts were marked to market and resulted in a positive market value of EUR 516 k from a cross-currency swap in USD and a negative market value of EUR 9,530 k from the cross-currency swap in CHF and four cross-currency swaps in USD. A provision for expected losses was recognized in an amount equivalent to the negative market value.

Corporate bodies

Supervisory Board

	Practiced profession	Member since Appointed until	Committee work	Membership of supervisory bodies
Helmut P. Merch Meerbusch/Germany, Chairman since May 16, 2024	Former member of the Management Board of Rheinmetall AG, Düsseldorf/Germany	July 7, 2020 May 16, 2025	Mediation Committee Personnel Committee Nomination Committee (Chairman in each case) Audit Committee	Governance roles: a) n/a b) n/a
Klaus Eberhardt Lindau/Germany, former Chairman	Independent consultant, Lindau/Germany Former CEO of Rheinmetall AG, Düsseldorf/Germany	May 16, 2013 May 16, 2024		Governance roles: a) n/a b) n/a
Markus Siegers* Nürtingen/Germany, Deputy Chairman	Chairman of the Works Council of ElringKlinger AG, Dettingen/Erms/ Germany	June 8, 2005 May 16, 2024	Mediation Committee Personnel Committee	Governance roles: a) n/a b) n/a
Ingeborg Guggolz Dachsberg/Germany	Managing Director of Lechler- und Klaus-Lechler Beteiligungsgesellschaften, Neuhausen a. d. Fildern/Germany	May 19, 2022 May 16, 2025		Governance roles: a) n/a b) Eroca AG, Basel/Switzerland

	Practiced profession	Member since Appointed until	Committee work	Membership of supervisory bodies
Ludger Heuberg Offenbach/Germany	Independent consultant, Offenbach/Germany Former member of the Management Board of ARVOS Group, Luxembourg/Luxembourg	May 16, 2024 May 16, 2025	Audit Committee (Chairman)	Governance roles: a) n/a b) Aramak GmbH, Frankfurt/Germany Zschimmer & Schwarz Chemie GmbH, Lahnstein/Germany Arvos HoldCo S.á r.l., Luxembourg/Luxembourg
Andreas Wilhelm Kraut Balingen/Germany	Chairman and CEO of Bizerba SE & Co. KG, Balingen/Germany	May 16, 2017 May 16, 2025		Governance roles: a) n/a b) n/a
Gerald Müller* Reutlingen/Germany	Trade union secretary of IG Metall Albstadt	August 3, 2017 December 31, 2024		Governance roles: a) n/a b) n/a
Paula Maria de Castro Monteiro-Munz* Grabenstetten/Germany	Deputy Chairwoman of the Works Council of ElringKlinger AG, Dettingen/Erms/Germany	May 21, 2010 May 16, 2025	Mediation Committee	Governance roles: a) n/a b) n/a
Barbara Resch* Stuttgart/Germany	District Manager of IG Metall Baden-Württemberg, Stuttgart/Germany	July 7, 2020 December 31, 2024		Governance roles: a) Schaeffler AG, Herzogenaurach/Germany Rheinmetall AG, Düsseldorf/Germany b) n/a
Gabriele Sons Berlin/Germany	Lawyer, Berlin/Germany Former member of the Management Board of thyssenkrupp Elevator AG, Essen/Germany	May 16, 2014 May 16, 2025	Mediation Committee Personnel Committee	Governance roles: a) Grammer AG, Ursensollen/Germany b) Accelleron Industries AG, Baden/Switzerland

	Practiced profession	**Member since** **Appointed until**	**Committee work**	**Membership of supervisory bodies**
Manfred Strauß Stuttgart/Germany	Managing Partner of M&S Messebau & Service GmbH, Neuhausen a.d. Fildern/Germany	July 20, 2000 May 16, 2025	Audit Committee Nomination Committee	Governance roles: a) n/a b) Lechler GmbH, Metzingen/Germany Eroca AG, Basel/Switzerland
Bernd Weckenmann* Reutlingen/Germany	Senior Vice President Procurement & Supply Chain Management of ElringKlinger AG, Dettingen/Erms/ Germany	April 12, 2021 May 16, 2025		Governance roles: a) n/a b) n/a
Olcay Zeybek* Bad Urach/Germany	Director EMEA Process Owner P2P of ElringKlinger AG, Dettingen/Erms/Germany	July 7, 2020 May 16, 2025		Governance roles: a) n/a b) n/a

* Employee representative

a) Membership in statutory supervisory boards within the meaning of Section 125 AktG

b) Membership in comparable domestic and foreign control bodies within the meaning of Section 125 AktG

Remuneration of the Supervisory Board

In the reporting period, total compensation for the Supervisory Board of ElringKlinger AG was EUR 879 k (2023: EUR 894 k). Additionally, travel expenses of EUR 8 k (2023: EUR 4 k) were reimbursed. The remuneration of the employee representatives on the Supervisory Board amounted to EUR 942 k in the financial year 2024 (2023: EUR 785 k) for their activities as employees.

Management Board

Thomas Jessulat, Stuttgart/Germany Chairman	responsible for the business units Battery and Fuel Cell Technology as well as the corporate units Finance, Corporate Sustainability, Global Strategy & Digital Transformation, Information Technology, M&A and Innovations, Human Resources, Legal & Compliance, Strategic Communications, and group entities (shared responsibility in the Management Board)
Reiner Drews, Reutlingen/Germany	responsible for the business units Lightweight/Elastomer Technology, Metal Forming & Assembly Technology, Metal Sealing Systems as well as the corporate units Procurement & Supply Chain Management, Production and Tooling, Quality, Real Estate & Facility Management as well as the German sites of ElringKlinger AG and the group entities (shared responsibility in the Management Board)
Dirk Willers, Ditzingen/Germany	responsible for the business units Aftermarket and Engineered Plastics as well as the corporate units Sales and Marketing, as well as for the group entities (shared responsibility in the Management Board)

Governance roles on supervisory boards and other supervisory bodies

Thomas Jessulat, Stuttgart/Germany, Chairman	Chairman of the Supervisory Board of hofer AG, Nürtingen/Germany
until January 15, 2025	

Remuneration of the Management Board and of former members of the Management Board

In the financial year, total Management Board remuneration pursuant to Section 285 no. 9a sentence 1 to 3 and no. 9b sentence 1 to 2 HGB, including the remuneration for former members of the Management Board, came to EUR 5,042 k (2023: EUR 7,869 k).

Pension provisions for members of the Management Board break down as follows:

2024 EUR k	**Dec. 31, 2023**	**Change**	**Dec. 31, 2024**
Thomas Jessulat	627	-11	616
Reiner Drews	289	-5	284
Dirk Willers	0	0	0
Total	**916**	**-16**	**900**

2023 EUR k	**Dec. 31, 2022**	**Change**	**Dec. 31, 2023**
Thomas Jessulat	625	2	627
Reiner Drews	289	0	289
Dr. Stefan Wolf	3,491	-3,491	0
Total	**4,405**	**-3,489**	**916**

Pension provisions and remuneration for former members of the Management Board

Provisions of EUR 25,369 k (2023: EUR 27,837 k) were recognized for pension obligations to former members of the Management Board, the management of merged companies, and their surviving dependents. The total remuneration of former members of the Management Board – including remuneration of former members of corporate bodies of merged companies – came to EUR 225 k (2023: EUR 1,370 k) in the financial year 2024.

The auditor fees amounted to:

The auditor fees are not required to be disclosed since the disclosures are contained in the consolidated financial statements of ElringKlinger AG, Dettingen/Erms/Germany.

Other assurance services were provided in addition to audit services and mainly comprise fees for review work in connection with the non-financial reporting and in connection with funded projects. Furthermore, other services are provided regarding compliance with covenants as part of the syndicated loan and factoring.

Information pursuant to Section 160 (1) no. 8 AktG

As of the reporting date 2024, the following equity investments existed and were notified pursuant to Section 33 (1) German Securities Trading Act (WpHG) (note: the legal bases mentioned relate to the legal position in force at the time of the voting rights notification):

1. Voting rights notification

1. Details of issuer

ElringKlinger AG
Max-Eyth-Straße 2
72581 Dettingen/Erms
Germany

2. Reason for notification

☒ Acquisition/disposal of shares with voting rights
☐ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☐ Other reason: testamentary disposition of Walter H. Lechler and execution of a gift contract upon the death of the testator.

3. Details of party subject to the notification obligation

Name: **H.K.L. Holding Stiftung**

City and country of registered office: Vaduz/Liechtenstein

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached:

July 20, 2018

6. Total voting rights

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	Total of both (total of 7.a.+ 7.b.)	Total number of voting rights of issuer
Resulting situation	5.13%	%	5.13%	63,359,990
Previous notification	4.941%	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sections 33, 34 WpHG)

ISIN	absolute		as a %	
	direct (Section 33 WpHG)	indirect (Section 34 WpHG)	direct (Section 33 WpHG)	indirect (Section 34 WpHG)
DE0007856023	3,250,000		5.13%	%
Total	3,250,000		5.13%	

b.1. Instruments within the meaning of Section 38 (1) no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights as a %
				%
		Total		%

b.2. Instruments within the meaning of Section 38 (1) no. 2 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights as a %
					0%
			Total		%

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8. Information in relation to the party subject to the notification obligation

X	Party subject to the notification obligation named in 3. is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
	Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Entity	% of voting rights (if 3% or more is held)	% of voting rights through instruments (if 5% or more is held)	Total of both (if 5% or more is held)

9. In case of proxy voting according to Section 34 (3) WpHG
(only in case of attribution of voting rights pursuant to Section 34 (1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:	
Total voting rights after Annual General Meeting:	% (equals voting rights)

10. Other notes:

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2. Voting rights notification

1. Details of issuer

ElringKlinger AG
Max-Eyth-Straße 2
72581 Dettingen/Erms
Germany

2. Reason for notification

☐ Acquisition/disposal of shares with voting rights

☐ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☒ Other reason: testamentary disposition of Walter H. Lechler and execution of a gift contract upon the death of the testator.

3. Details of party subject to the notification obligation

Name: **Lechler Stiftung**

City and country of registered office: Stuttgart/Germany

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

KWL Beteiligungs-GmbH
Lechler GmbH
Klaus Lechler Beteiligungs-GmbH
Elrena GmbH
Lechler Beteiligungs-GmbH

5. Date on which threshold was crossed or reached:

May 17, 2018

6. Total voting rights

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	Total of both (total of 7.a.+ 7.b.)	Total number of voting rights of issuer
Resulting situation	52.04%	0%	52.04%	63,359,990
Previous notification	29.981%	0%	29.981%	/

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7. Notified details of the resulting situation

a. Voting rights attached to shares (Sections 33, 34 *WpHG*)

ISIN	absolute		as a %	
	direct (Section 33 WpHG)	indirect (Section 34 WpHG)	direct (Section 33 WpHG)	indirect (Section 34 WpHG)
DE0007856023	627,380	32,345,254	0.99%	51.05%
Total	32,972,634		52.04%	

b.1. Instruments within the meaning of Section 38 (1) no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights as a %
n/a	n/a	n/a	0	0%
		Total		%

b.2. Instruments within the meaning of Section 38 (1) no. 2 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights as a %
n/a	n/a	n/a	n/a	0	0%
			Total		%

8. Information in relation to the party subject to the notification obligation

	Party subject to the notification obligation named in 3. is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
X	Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Entity	% of voting rights (if 3% or more is held)	% of voting rights through instruments (if 5% or more is held)	Total of both (if 5% or more is held)
Lechler Stiftung	%	%	%
KWL Beteiligungs-GmbH	51.05%	%	51.05%
Klaus Lechler Beteiligungs-GmbH	51.05%	%	51.05%

Eroca AG	51.05%	%	51.05%
	%	%	%
Lechler Stiftung	%	%	%
KWL Beteiligungs-GmbH	51.05%	%	51.05%
Lechler GmbH	10.013%	%	10.013%

9. In case of proxy voting according to Section 34 (3) WpHG
(only in case of attribution of voting rights pursuant to Section 34 (1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:	
Total voting rights after Annual General Meeting:	% (equals voting rights)

10. Other notes:

Elrena GmbH, KWL Beteiligungs-GmbH, Klaus Lechler Beteiligungs-GmbH, Eroca AG and Lechler Beteiligungs-GmbH are parties of a pooling agreement obligating them to uniformly exercise voting rights in ElringKlinger AG and based on mutual attribution of voting rights.

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3. Voting rights notification

1. Details of issuer

ElringKlinger AG
Max-Eyth-Straße 2
72581 Dettingen/Erms
Germany

2. Reason for notification

- ☐ Acquisition/disposal of shares with voting rights
- ☐ Acquisition/disposal of instruments
- ☐ Change of breakdown of voting rights
- ☒ Other reason: testamentary disposition of Walter H. Lechler and execution of a gift contract upon the death of the testator.

3. Details of party subject to the notification obligation

Name: **Stiftung Klaus Lechler**

City and country of registered office: Basel/Switzerland

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

KWL Beteiligungs-GmbH
Lechler GmbH
Klaus Lechler Beteiligungs-GmbH
Elrena GmbH
Lechler Beteiligungs-GmbH

5. Date on which threshold was crossed or reached:

May 17, 2018

6. Total voting rights

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	Total of both (total of 7.a.+ 7.b.)	Total number of voting rights of issuer
Resulting situation	51.05%	0%	51.05%	63,359,990
Previous notification	29.01%	0%	29.01%	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sections 33, 34 WpHG)

ISIN	absolute		as a %	
	direct (Section 33 WpHG)	indirect (Section 34 WpHG)	direct (Section 33 WpHG)	indirect (Section 34 WpHG)
DE0007856023	0	32,345,254	0%	51.05%
Total	32,345,254		51.05%	

b.1. Instruments within the meaning of Section 38 (1) no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights as a %
n/a	n/a	n/a	0	0%
		Total		%

b.2. Instruments within the meaning of Section 38 (1) no. 2 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights as a %
n/a	n/a	n/a	n/a	0	0%
			Total		%

8. Information in relation to the party subject to the notification obligation

	Party subject to the notification obligation named in 3. is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
X	Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Entity	% of voting rights (if 3% or more is held)	% of voting rights through instruments (if 5% or more is held)	Total of both (if 5% or more is held)
Stiftung Klaus Lechler	%	%	%
Elrena GmbH	51.05%	%	51.05%
Elrega GmbH	%	%	%

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9. In case of proxy voting according to Section 34 (3) WpHG
(only in case of attribution of voting rights pursuant to Section 34 (1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:	
Total voting rights after Annual General Meeting:	% (equals voting rights)

10. Other notes:

Elrena GmbH, KWL Beteiligungs-GmbH, Klaus Lechler Beteiligungs-GmbH, Eroca AG and Lechler Beteiligungs-GmbH are parties of a pooling agreement obligating them to uniformly exercise voting rights in ElringKlinger AG and based on mutual attribution of voting rights.

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4. Voting rights notification

1. Details of issuer

ElringKlinger AG
Max-Eyth-Straße 2
72581 Dettingen/Erms
Germany

2. Reason for notification

☐ Acquisition/disposal of shares with voting rights
☐ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☒ Other reason: testamentary disposition of Walter H. Lechler and execution of a gift contract upon the death of the testator.

3. Details of party subject to the notification obligation

Name: **Klaus Lechler Familienstiftung**

City and country of registered office: Neuhausen a.d. Fildern/Germany

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

KWL Beteiligungs-GmbH
Lechler GmbH
Klaus Lechler Beteiligungs-GmbH
Elrena GmbH
Lechler Beteiligungs-GmbH

5. Date on which threshold was crossed or reached:

May 17, 2018

6. Total voting rights

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	Total of both (total of 7.a.+ 7.b.)	Total number of voting rights of issuer
Resulting situation	51.05%	0%	51.05%	63,359,990
Previous notification	29.01%	0%	29.01%	/

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7. Notified details of the resulting situation

a. Voting rights attached to shares (Sections 33, 34 *WpHG*)

ISIN	absolute		as a %	
	direct (Section 33 WpHG)	indirect (Section 34 WpHG)	direct (Section 33 WpHG)	indirect (Section 34 WpHG)
DE0007856023	0	32,345,254	0%	51.05%
Total	32,345,254		51.05%	

b.1. Instruments within the meaning of Section 38 (1) no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights as a %
n/a	n/a	n/a	0	0%
		Total		%

b.2. Instruments within the meaning of Section 38 (1) no. 2 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights as a %
n/a	n/a	n/a	n/a	0	0%
			Total		%

8. Information in relation to the party subject to the notification obligation

	Party subject to the notification obligation named in 3. is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
X	Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Entity	% of voting rights (if 3% or more is held)	% of voting rights through instruments (if 5% or more is held)	Total of both (if 5% or more is held)
Klaus Lechler Familienstiftung	%	%	%
Inlovo GmbH	%	%	%

Lechler Beteiligungs-GmbH	51.05%	%	51.05%

9. In case of proxy voting according to Section 34 (3) WpHG
(only in case of attribution of voting rights pursuant to Section 34 (1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:	
Total voting rights after Annual General Meeting:	% (equals voting rights)

10. Other notes

Elrena GmbH, KWL Beteiligungs-GmbH, Klaus Lechler Beteiligungs-GmbH, Eroca AG and Lechler Beteiligungs-GmbH are parties of a pooling agreement obligating them to uniformly exercise voting rights in ElringKlinger AG and based on mutual attribution of voting rights.

5. Voting rights notification

On August 11, 2014, Klinger B.V., Rotterdam/Netherlands, informed us pursuant to Section 21 (1) WpHG that its share in the voting rights of ElringKlinger AG, Dettingen/Erms/Germany, exceeded the 3% threshold of the voting rights on December 22, 2006 and amounted to 4.9998958% on that day (this corresponds to 959,980 voting rights).

6. Voting rights notification

Voting rights notifications pursuant to Section 21 (1) WpHG

Notifying parties:

1. Eroca AG, Basel/Switzerland
2. Klaus Lechler Beteiligungs-GmbH, Ludwigsburg/Germany
3. KWL Beteiligungs-GmbH, Ludwigsburg/Germany

4. PAUL LECHLER STIFTUNG gGmbH, Ludwigsburg/Germany

We, KWL Beteiligungs-GmbH, hereby notify you pursuant to Section 21 (1) WpHG in our own name and for and on behalf of Eroca AG, Klaus Lechler Beteiligungs-GmbH and PAUL LECHLER STIFTUNG gGmbH as follows:

1. Eroca AG

The share in the voting rights of Eroca AG in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 19.80% (12,546,652 voting rights) are attributed to Eroca AG in accordance with Section 22 (2) sentence 1 WpHG.

The voting rights attributed to Eroca AG are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Elrena GmbH
- Lechler Beteiligungs-GmbH

2. Klaus Lechler Beteiligungs-GmbH

The share in the voting rights of Klaus Lechler Beteiligungs-GmbH in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.20% (5,832,136 voting rights) are attributed to Klaus Lechler Beteiligungs-GmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG and an additional 19.23% (12,181,215 voting rights) are attributed in accordance with Section 22 (2) sentence 1 WpHG.

The voting rights attributed to Klaus Lechler Beteiligungs-GmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG are held by the following company that is controlled by it and holds 3% or more of the voting rights in ElringKlinger AG:

- Eroca AG

The voting rights attributed to Klaus Lechler Beteiligungs-GmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Elrena GmbH
- Lechler Beteiligungs-GmbH

3. KWL Beteiligungs-GmbH

The share in the voting rights of KWL Beteiligungs-GmbH in ElringKlinger AG exceeded the thresholds of 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.78% (6,197,573 voting rights) are attributed to KWL Beteiligungs-GmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG and 28.43% (18,010,351 voting rights) are attributed in accordance with Section 22 (2) sentence 1 WpHG.

Of the 28.43%, 9.20% (5,832,136 voting rights) are attributed to KWL Beteiligungs-GmbH in accordance with both Section 22 (2) sentence 1 WpHG and Section 22 sentence 1 no. 1 WpHG.

The voting rights attributed to KWL Beteiligungs-GmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by it and each hold 3% or more of the voting rights in ElringKlinger AG:

- Eroca AG
- Klaus Lechler Beteiligungs-GmbH

The voting rights attributed to KWL Beteiligungs-GmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH
- Lechler Beteiligungs-GmbH

4. PAUL LECHLER STIFTUNG gGmbH

The share in the voting rights of PAUL LECHLER STIFTUNG gGmbH in ElringKlinger AG exceeded the threshold of 25% on June 13, 2014 and amounted to 29.997% (19,006,168 voting rights) on this day.

Of these voting rights, 29.01% (18,378,788 voting rights) are attributed to PAUL LECHLER STIFTUNG gGmbH in accordance with Section 22 (2) sentence 1 no. 1 WpHG and an additional 9.79% (6,200,573 voting rights) are attributed in accordance with Section 22 (1) sentence 1 WpHG.

The voting rights attributed to PAUL LECHLER STIFTUNG gGmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by it and each hold 3% or more of the voting rights in ElringKlinger AG:

- Eroca AG

- Klaus Lechler Beteiligungs-GmbH
- KWL Beteiligungs-GmbH

The voting rights attributed to PAUL LECHLER STIFTUNG gGmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH
- Lechler Beteiligungs-GmbH

7. Voting rights notification

Voting rights notifications pursuant to Section 21 (1) WpHG

Notifying parties:

1. Lechler Beteiligungs-GmbH, Stuttgart/Germany
2. INLOVO GmbH, Ludwigsburg/Germany

We, Lechler Beteiligungs-GmbH, hereby notify you pursuant to Section 21 (1) WpHG in our own name and for and on behalf of INLOVO GmbH as follows:

1. Lechler Beteiligungs-GmbH

The share in the voting rights of Lechler Beteiligungs-GmbH in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 19.55% (12,388,610 voting rights) are attributed to Lechler Beteiligungs-GmbH in accordance with Section 22 (2) sentence 1 WpHG.

The voting rights attributed to Lechler Beteiligungs-GmbH were held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

2. INLOVO GmbH

The share in the voting rights of INLOVO GmbH in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.45% (5,990,178 voting rights) are attributed to INLOVO GmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG and an additional 19.55% (12,388,610 voting rights) are attributed in accordance with Section 22 (2) sentence 1 WpHG.

The voting rights attributed to INLOVO GmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG are held by the following company that is controlled by it and holds 3% or more of voting rights in ElringKlinger AG:

- Lechler Beteiligungs-GmbH

The voting rights attributable to INLOVO GmbH are held by the following shareholders that holds 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

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8. Voting rights notification

Voting rights notification pursuant to Section 21 (1) WpHG

Notifying parties:

1. Elrena GmbH, Basel/Switzerland
2. Stiftung Klaus Lechler, Basel/Switzerland

We, Elrena GmbH, hereby notify you pursuant to Section 21 (1) WpHG in our own name and for and on behalf of Stiftung Klaus Lechler as follows:

1. Elrena GmbH

The share in the voting rights of Elrena GmbH in ElringKlinger AG exceeded the thresholds of 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 0.02% (14,000 voting rights) are attributed to Elrena GmbH in accordance with Section 22 (1) sentence 1 no. 1 WpHG and an additional 19.24% (12,190,751 voting rights) are attributed in accordance with Section 22 (2) sentence 1 WpHG. The voting rights attributed to Elrena GmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Eroca AG
- Lechler Beteiligungs-GmbH

2. Stiftung Klaus Lechler

The share in the voting rights of Stiftung Klaus Lechler in ElringKlinger AG exceeded the thresholds of 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.76% (6,188,037 voting rights) are attributed to Stiftung Klaus Lechler in accordance with Section 22 (1) sentence 1 no. 1 WpHG and an additional 19.24% (12,190,751 voting rights) are attributed in accordance with Section 22 (2) sentence 1 WpHG. The voting rights attributed to Stiftung Klaus Lechler in accordance with Section 22 (1) sentence 1 no. 1 WpHG are held by the following company that is controlled by it and holds 3% or more of the voting rights in ElringKlinger AG:

- Elrena GmbH

The voting rights attributed to Stiftung Klaus Lechler are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with Section 22 (2) sentence 1 WpHG:

- Eroca AG
- Lechler Beteiligungs-GmbH

9. Voting rights notification

Lechler GmbH, Metzingen/Germany, notified us pursuant to Section 21 (1) WpHG that the share in the voting rights in our company exceeded the threshold of 10% on December 28, 2012 and amounted to 10.0127% (6,344,046 voting rights) on that day.

10. Voting rights notification

ElringKlinger received the following notification from Walter Herwarth Lechler on May 14, 2010:

"I am writing to notify you in accordance with Section 21 (1) WpHG that the share of my voting rights in ElringKlinger AG fell below the threshold of 25% on May 11, 2010 and amounted to 23.697% (or 13,649,420 voting rights) on this day.

Of these voting rights, 10.394% (5,987,000 voting rights) are attributed to me pursuant to Section 22 (1) sentence 1 no. 1 WpHG.

The voting rights attributed to me are held by the following company that is controlled by me and holds 3% or more of voting rights in ElringKlinger AG: Lechler GmbH, Metzingen/Germany."

Declaration of conformity with the German Corporate Governance Code

The Management Board and Supervisory Board issued a declaration of conformity pursuant to Section 161 AktG on the German Corporate Governance Code in the version dated April 28, 2022 and published it on the ElringKlinger AG website on December 5, 2024. This declaration of conformity will be made permanently available to shareholders on the ElringKlinger AG website www.elringklinger.de/en under the headings Company/Corporate Governance/Declaration of Conformity.

Events after the end of the reporting period

On March 11, 2025, ElringKlinger AG entered into a new syndicated loan agreement, which serves for general corporate financing and for refinancing the original syndicated loan as well as existing bilateral credit lines. Commerzbank, Landesbank Baden-Württemberg and DZ Bank jointly arranged the financing; in addition, Deutsche Bank, HSBC, Targo Bank and ING Group are also part of the syndicate. The agreement comprises a total volume of EUR 450 million over a period of five years from March 11, 2025 onwards, was concluded at arm's length and includes an increase option of a further EUR 100 million. At the same time, the existing syndicated loan agreement was prematurely terminated.

There were no further reportable events after the reporting date.

Proposal for appropriation of profits

In consultation with the Supervisory Board, the Management Board will propose to the Annual General Meeting on the 2024 financial statements on May 16, 2025, to distribute a dividend of EUR 9,504 k (EUR 0.15 per share carrying dividend rights) from the net retained profits disclosed in the annual financial statements.

Dettingen/Erms/Germany, March 24, 2025

The Management Board

Thomas Jessulat	Reiner Drews	Dirk Willers
CEO		

ElringKlinger AG, Dettingen/Erms/Germany

Statement of changes in fixed assets in the financial year 2024

	Acquisition and production cost					Accumulated amortization, depreciation and write-downs							Carrying amount	
	Jan. 1, 2024	Additions	Reclassifications	Disposals	Dec. 31, 2024	Jan. 1, 2024	Amortization and depreciation for the financial year	Write-downs	Write-ups	Reclassifications	Disposals	Dec. 31, 2024	Dec. 31, 2024	Dec. 31, 2023
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k			EUR k	EUR k	EUR k	EUR k	EUR k
I. Intangible assets														
1. Purchased industrial rights and licenses	30.278	299	0	659	29.918	26.767	738	0	0	0	659	26.846	3.072	3.511
2. Goodwill	1.990	0	0	0	1.990	1.944	19	0	0	0	0	1.963	27	46
3. Advance payments	104	175	0	0	279	0	0	0	0	0	0	0	279	104
	32.372	474	0	659	32.187	28.711	757	0	0	0	659	28.809	3.378	3.661
II. Property, plant and equipment														
1. Property and buildings	221.381	1.498	1.817	193	224.503	93.247	5.598	324	0	0	3	99.166	125.337	128.134
2. Plant and machinery	457.787	12.016	11.663	12.379	469.087	376.639	16.880	4.507	0	0	11.815	386.211	82.876	81.148
3. Other equipment, operating and office equipment	131.743	4.241	2.337	2.910	135.411	109.020	5.902	778	0	0	2.401	113.299	22.112	22.723
4. Advance payments and assets under construction	41.076	10.625	-15.817	1.305	34.579	12.428	0	9.191	0	0	0	21.619	12.960	28.648
	851.987	28.380	0	16.787	863.580	591.334	28.380	14.800	0	0	14.219	620.295	243.285	260.653
III. Financial assets														
1. Shares in affiliated companies	414.277	111.533	0	62.209	463.601	134.986	91.915	0	350	0	49.913	176.638	286.963	279.291
2. Loans to affiliated companies	8.349	350	0	0	8.699	4.966	3.275	0	0	0	0	8.241	458	3.383
3. Equity investments	35.669	0	1.333	0	37.002	14.081	15.111	0	0	0	0	29.192	7.810	21.588
4. Loans to other investees and investors	3.825	338	-1.333	0	2.830	0	0	0	0	0	0	0	2.830	3.825
5. Long-term securities	649	0	0	0	649	58	0	0	9	0	0	49	600	591
	462.769	112.221	0	62.209	512.781	154.091	110.301	0	359	0	49.913	214.120	298.661	308.678
	1.347.128	141.075	0	79.655	1.408.548	774.136	139.438	14.800	359	0	64.791	863.224	545.324	572.992

List of shareholdings as of December 31, 2024 and basis of consolidation

Name of company	Registered office	Share of capital in %	Reporting package (HB II) Equity in EUR k[9]	Reporting package (HB II) earnings in EUR k[10]
Parent company				
ElringKlinger AG	Dettingen/Erms/Germany			
Shares in affiliated companies (fully consolidated in the consolidated financial statements)				
Domestic (Germany)				
Gedächtnisstiftung KARL MÜLLER BELEGSCHAFTSHILFE GmbH	Dettingen/Erms/Germany	100,00	11	1
ElringKlinger Logistic Service GmbH	Rottenburg/Neckar/Germany	100,00	5.122	1.055
ElringKlinger Kunststofftechnik GmbH	Bietigheim-Bissingen/Germany	77,50	88.339	6.668
hofer powertrain products GmbH	Dettingen/Erms/Germany	53,00	-7.760	-5.013
KOCHWERK Catering GmbH	Dettingen/Erms/Germany	100,00	-1.324	68
EKPO Fuel Cell Technologies GmbH	Dettingen/Erms/Germany	60,00	108.958	-13.990
Foreign				
Elring Klinger (Great Britain) Ltd.	Redcar/UK	100,00	15.931	28
hofer powertrain products UK Ltd.	Warwick/UK	53,00	-6.063	904
ElringKlinger Italia Srl	Settimo Torinese/Italy	100,00	8.604	390
Elring Italia Srl	Settimo Torinese/Italy	100,00	2.566	132
ElringKlinger Hungary Kft.	Kecskemét-Kádafalva/Hungary	100,00	4.850	-7.592
Elring Parts Ltd.	Gateshead/UK	100,00	7.636	661
Elring Klinger, S.A.U.	Reus/Spain	100,00	24.989	1.799
ElringKlinger TR Otomotiv Sanayi ve Ticaret A.Ş.	Bursa/Turkey	100,00	19.199	2.430
ElringKlinger Meillor SAS	Nantiat/France	100,00	7.004	-626
HURO Supermold S.R.L.	Timisoara/Romania	100,00	3.654	445
ElringKlinger Canada, Inc.	Leamington/Canada	100,00	33.912	1.800
ElringKlinger Holding USA, Inc.	Wilmington/USA	100,00	-26.612	-119.407
ElringKlinger Automotive Manufacturing, Inc.[1]	Southfield/USA	100,00	-42.785	5.038
ElringKlinger Manufacturing Indiana, Inc.[1]	Fort Wayne/USA	100,00	-49.360	-19.370
ElringKlinger Silicon Valley, Inc.[1]	Fremont/USA	100,00	7.128	-2.964
ElringKlinger Texas, LLC[1]	San Antonio/USA	100,00	-10.555	-594
ElringKlinger South Carolina, LLC.[1]	Easley/USA	100,00	848	722
EKAS USA, Inc.[1]	Wilmington/USA	100,00	1.247	-6.193
Elring Klinger México, S.A. de C.V.[7]	Toluca/Mexico	100,00	49.939	-2.803
Elring Klinger do Brasil Ltda.	Piracicaba/Brazil	100,00	33.501	752
ElringKlinger South Africa (Pty) Ltd.	Johannesburg/South Africa	100,00	-739	-542
ElringKlinger Automotive Components (India) Pvt. Ltd.	Ranjangaon/India	100,00	26.288	1.542
Changchun ElringKlinger Ltd.	Changchun/China	88,00	69.049	2.852
ElringKlinger Korea Co., Ltd.	Gumi-si/South Korea	100,00	-1.151	-768
ElringKlinger China, Ltd.	Suzhou/China	100,00	63.078	4.346
ElringKlinger Chongqing Ltd.	Chongqing/China	100,00	6.575	72
ElringKlinger Engineered Plastics North America, Inc. [2]	Fort Wayne/USA	77,50	1.065	-207
ElringKlinger Plastics Technology (Qingdao) Co., Ltd.[2]	Qingdao/China	77,50	9.478	97
ElringKlinger Marusan Corporation[3]	Tokyo/Japan	50,00	45.477	1.941
Marusan Kogyo Co., Ltd.[4]	Saitama/Japan	23,45	4.155	21
PT. ElringKlinger Indonesia[5]	Karawang/Indonesia	50,00	5.597	944
ElringKlinger (Thailand) Co., Ltd.[8]	Bangkok/Thailand	50,00	1.520	348
EKPO Fuell Cell Technologies US, Inc.[6]	Fort Wayne/USA	60,00	626	56
EKPO Fuell Cell (Suzhou) Co., Ltd.[6]	Suzhou/China	60,00	2.878	-1.714
Equity investments[11]				
Domestic (Germany)				
hofer AG[12]	Nürtingen/Germany	24,71	45.520	-11.141

[1] Wholly owned subsidiary of ElringKlinger Holding USA, Inc.
[2] Wholly owned subsidiary of ElringKlinger Kunststofftechnik GmbH.
[3] Consolidated due to contractual possibility of exercising control.
[4] 46.9% subsidiary of ElringKlinger Marusan Corporation, consolidated due to majority of voting rights.
[5] Wholly owned subsidiary of ElringKlinger Marusan Corporation.
[6] Wholly owned subsidiary of EKPO Fuel Cell Technologies GmbH.
[7] 99.997% subsidiary of ElringKlinger AG and 0.003% subsidiary of ElringKlinger Holding USA, Inc.
[8] 99.8% subsidiary of ElringKlinger Marusan Corporation and 0.1% subsidiary of ElringKlinger AG.
[9] Average rate rolled forward
[10] valued at the average rate for the period
[11] Further equity investments not mentioned due to immateriality.
[12] provisional financial figures

INDEPENDENT AUDITOR’S REPORT

To ElringKlinger AG, Dettingen an der Erms/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of ElringKlinger AG, Dettingen an der Erms/Germany, which comprise the balance sheet as of December 31, 2024, and the income statement for the financial year from January 1 to December 31, 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the parent and the group of ElringKlinger AG, Dettingen an der Erms/Germany, for the financial year from January 1 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of the combined corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB) referenced in the combined management report and the content of the separate combined non-financial report pursuant to Sections 289b and 315b HGB referenced in the combined management report. Furthermore, we have not audited the content of the section ”Internal control system”, which is extraneous to management reports and marked as unaudited, contained in the report on opportunities and risks in the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2024 and of its financial performance for the financial year from January 1 to December 31, 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company’s position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the contents of the combined corporate governance statement referred to above, the contents of the combined non-financial report referred to above as well as the contents of the section extraneous to management reports and marked as unaudited referred to above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management

Report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the impairment testing of shares in affiliated companies, which we have determined to be the key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

a) description (including reference to corresponding information in the annual financial statements)

b) auditor’s response

1. Impairment testing of shares in affiliated companies

a) As of December 31, 2024, shares in affiliated companies of EUR 287.0 million were disclosed in the annual financial statements of ElringKlinger AG, Dettingen an der Erms/Germany, corresponding to 28.6% of the balance sheet total.

The shares in affiliated companies are recognized at acquisition cost or at the lower fair value in case of permanent impairment. The fair value of the shares in affiliated companies is determined as part of an impairment test as of the reporting date using a valuation model whose calculations are based on an income capitalization approach. The calculation is based on the medium-term planning prepared by the executive directors of the affiliated companies, which is extrapolated using assumed long-term growth rates and from which the respective distributable net income for the year is derived. Discount rates, which are determined based on the cost of equity of the affiliated companies, are used in the valuation model for calculating the fair values.

The outcome of the impairment test of the shares in affiliated companies depends to a large extent on the assessment of the net income for future years based on the medium-term planning prepared by the executive directors of the affiliated companies, which are extrapolated using assumed long-term growth rates, as well as on the company-specific discount rates used, and is therefore subject to uncertainties. Against this backdrop, due to the complexity of the applied valuation model and due to the significance of the balance sheet item for assets and liabilities and, in case of necessary impairments or reversals of impairments, for the financial performance of the Company, the impairment testing of shares in affiliated companies was of particular importance within the context of our audit.

The executive directors' disclosures on the shares in affiliated companies are contained in the sections "Accounting and measurement methods" under the header "Financial assets" and "Notes to the balance sheet" under the header "Fixed assets" of the notes to the financial statements.

b) As part of our audit, by calling in our internal valuation experts, we obtained an understanding of the process used by the Company's executive directors for performing the impairment test of shares in affiliated companies, and also discussed the determination of the cost of equity for the purpose of discounting. Based on the understanding of the process obtained by us, we evaluated the internal controls identified that were relevant to our audit in terms of their design and verified whether their implementation was carried out in an appropriate manner. To the extent we planned to rely on the effectiveness of identified controls, we additionally tested the operating effectiveness of these controls. Based on this, we audited the valuation model, whose calculations are based on an income capitalization approach, and in particular the correctness of its methodology and calculation. We notably evaluated whether the applied valuation model correctly presents the conceptional requirements of the relevant valuation standards. In case of estimates by the executive directors, we evaluated the methods applied, assumptions made and data used with regard to their reasonableness.

We convinced ourselves, among others, as part of the consideration and critical evaluation of the planning process conducted by us that the net income for future years considered in the valuation model was reasonable. To assess the quality and reliability of the medium-term planning, we compared selected planning of prior financial years with the actual results achieved in the respective financial years and analyzed material deviations in individual cases (adherence to planning).

We audited whether the planning used for impairment testing coincided with the medium-term planning prepared by the executive directors of the affiliated companies and whether the data included therein was correctly transferred to the valuation model used. Besides, we performed inquiries of the executive directors or the persons appointed by them on the material assumptions underlying the medium-term planning and examined the assumptions made by the executive directors or the persons appointed by them for plausibility, taking into account external general and industry-specific market expectations. In addition, on a sample basis, we obtained an understanding of the reconciliation of the medium-term planning of the affiliated companies with the medium-term planning of the group of ElringKlinger AG adopted by the executive directors.

Since a considerable proportion of the respective fair value results from forecast net income for future years beyond the period covered by the medium-term planning, we notably performed a critical evaluation of the terminal growth rate used based on general and industry-specific market expectations. Furthermore, we discussed the parameters used for determining the applied discounting rates in detail, examined them for plausibility based on observable market data and evaluated the correctness of the calculation made in the calculation model for the discounting rates.

In addition, we performed a sensitivity analysis for material affiliated companies in order to assess and consider a potential impairment risk on account of the impact of changes in the parameters used as a basis for the valuation model.

In addition, we audited the completeness and correctness of the disclosures in the notes to the financial statements.

Other Information

The executive directors and/or the Supervisory Board are responsible for the other information. The other information comprises

- the combined corporate governance statement referenced in the combined management report,
- the separate combined non-financial report referenced in the combined management report,
- the section "Internal control system", which is extraneous to management reports and marked as unaudited, contained in the report on opportunities and risks in the combined management report, and
- the executive directors' confirmations regarding the annual financial statements and the combined management report pursuant to Sections 264 (2) sentence 3 and 289 (1) sentence 5 HGB.

The executive directors and the Supervisory Board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the combined corporate governance statement. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 the auditor’s report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company’s position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 6e7baf7064da267313026f0ba74977ea23b29a20f78d827232b0f620aeafe7ea, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2024 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on May 16, 2024. We were engaged by the Supervisory Board on June 5, 2024. We have been the auditor of ElringKlinger AG, Dettingen an der Erms/Germany, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Michael Sturm.

Stuttgart/Germany, March 24, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Michael Sturm Wirtschaftsprüfer (German Public Auditor)	Signed: Florian Sauter Wirtschaftsprüfer (German Public Auditor)

TRANSLATION
– German version prevails –

Responsibility statement

"To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of ElringKlinger AG, and the management report, which has been combined with the group management report, includes a true and fair representation of the development and performance of the business and the position of ElringKlinger AG, together with a description of the material opportunities and risks associated with the expected development of ElringKlinger AG."

Dettingen/Erms, March 24, 2025

Thomas Jessulat
Chairman

Reiner Drews

Dirk Willers

ElringKlinger AG
Max-Eyth-Straße 2
D-72581 Dettingen/Erms