



Annual Report 2025

ON POINT. AND BEYOND.

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LETTER FROM THE EXECUTIVE BOARD

Dear Sir or Madam,

The 2025 financial year was defined by volatile markets, geopolitical tensions, and a profound transformation of the automotive industry. In an environment of considerable uncertainty, strategic clarity was just as important as operational flexibility. GRAMMER has proven both. Despite declining revenue in a challenging market environment, we significantly increased our profitability.

Although consolidated revenue was down on the previous year at EUR 1,821.2 million, operating EBIT improved significantly to EUR 75.1 million and the operating EBIT margin rose to 4.1%. The decisive factor in this significant improvement was the consistent implementation of our "Top 10" measures program. These ten strategic measures – including restructuring initiatives, efficiency enhancement programs, the offsetting of increased costs through customer contributions, and a focus on the core business – have structurally improved the Group's cost base. The momentum in the fourth quarter of 2025 in particular made a substantial contribution to the strong full-year results.

Regions: clear priorities, varying development

The EMEA region performed robustly in the financial year and made the largest contribution to the Group's improved earnings. Restructuring and efficiency measures, as well as the agreed restructuring and future-oriented collective agreement, led to a sustained improvement in profitability.

In the AMERICAS region, revenue declined due to lower customer call-offs in the Automotive division. Operating EBIT remained negative but improved slightly. Amid these developments, we have systematically focused our activities on our core business and strategically streamlined our portfolio.

In APAC, weaker market demand in the automotive sector led to a decline in revenue. At the same time, local Chinese OEMs are continuing to gain in importance. GRAMMER is well positioned in these circumstances and has been able to expand its share of revenue with local customers – an important foundation for future growth in China.

Progress in product innovation and sustainability

In addition to improving its operating earnings, GRAMMER made significant progress in product development in 2025. With a new generation of off-road driver seats, we are setting new standards in comfort, ergonomics, and digital connectivity in the Commercial Vehicles product area. Center consoles with an improved carbon footprint that follow the principles of the circular economy and help to increase the efficiency of modern vehicles thanks to weight savings were developed in the Automotive product area.

We also made progress in terms of sustainability, quality, and delivery performance, as carbon emissions in Scope 1 and 2 were reduced by 25% compared with 2019, the error rate was significantly reduced, and delivery reliability was improved. At the same time, GRAMMER remains committed to being an attractive and responsible employer.

Outlook for 2026 and medium-term planning for 2028

For 2026, we expect consolidated revenue to rise slightly to around EUR 1.9 billion in a persistently volatile market environment, with operating EBIT of around EUR 80 million. Our adjusted medium-term planning envisages revenue of EUR 2.5 billion and an operating EBIT margin of over 5% by 2028. Growth drivers include, in particular, the automotive business in China and the

ramp-up of new projects in the AMERICAS region. The structural foundations laid in 2025 form the basis for profitable growth.

The 2025 financial year has demonstrated what we at GRAMMER can achieve as a team. The significant increase in earnings is thanks primarily to our employees, who, in an environment characterized by uncertainty and change, contributed to the achievement of the set goals with great commitment and a high level of professionalism. We would like to express our heartfelt gratitude to them.

We would also like to thank our customers, suppliers, and business partners for their trust and loyalty.

In 2025, GRAMMER proved that it is capable of acting decisively and with a focus on the future, even in difficult times. We will continue on this course – with the clear goal of sustainably strengthening the Group's profitability.

Thank you for your trust!

Best regards,



Jens Öhlenschläger



Kelvin (Bangben) Wang



Guoqiang Li

The Executive Board of GRAMMER Aktiengesellschaft

Revenue
1,821.2 EUR m

Operating EBIT
75.1 EUR m

Operating EBIT margin
4.1%

Equity ratio
17.3%

Net profit
23.5 EUR m

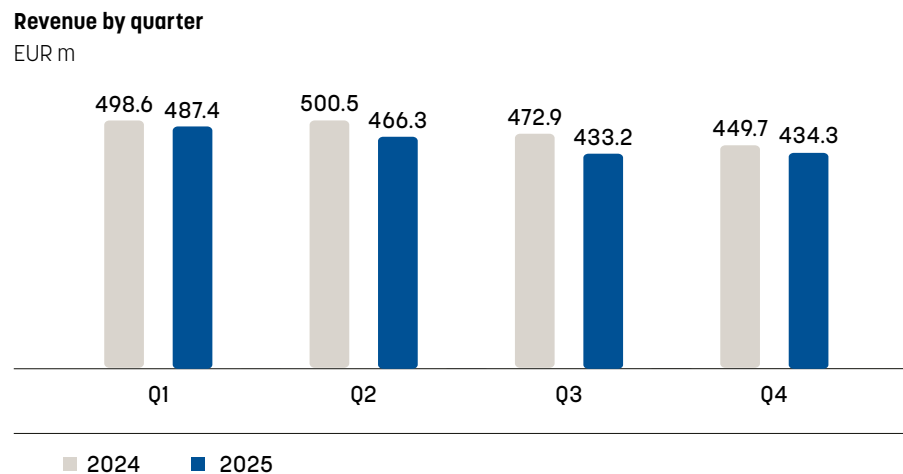
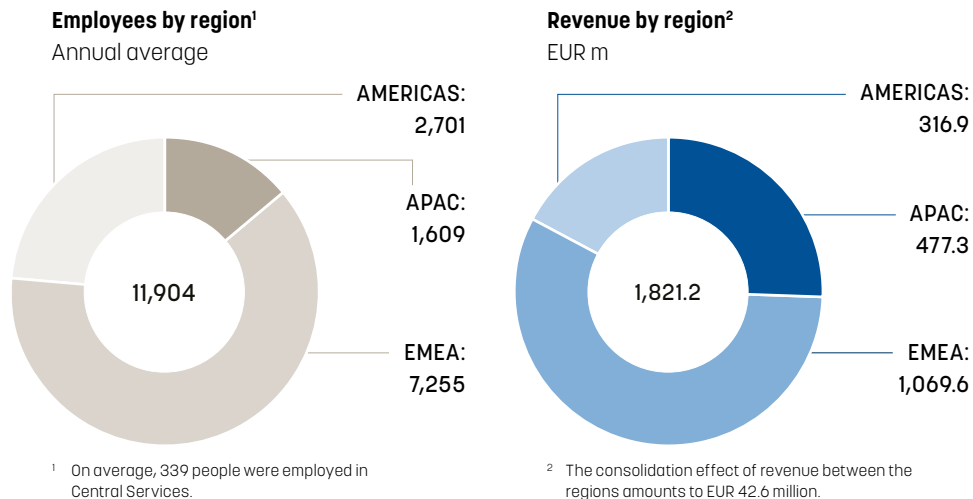
Free cash flow
39.1 EUR m

EBIT
69.1 EUR m

Capital expenditure
94.0 EUR m

Company profile

GRAMMER AG, which has its head office in Ursensollen, operates in two business segments: GRAMMER develops and produces high-quality interior and operating systems for the global automotive industry. GRAMMER is a full service provider of driver and passenger seats for trucks, buses, trains and offroad vehicles. At present, GRAMMER AG has about 11,900 employees in 20 countries around the world. Its revenue in 2025 was about EUR 1.8 billion. GRAMMER shares are listed in the Prime Standard and traded on the Munich and Frankfurt stock exchanges as well as via the Xetra electronic trading platform.



Operating EBIT by region

Region	Operating EBIT (EUR m)
AMERICAS	-14.7
EMEA	62.8
APAC	43.2

All key figures reflect the results from continuing operations.

GRAMMER share

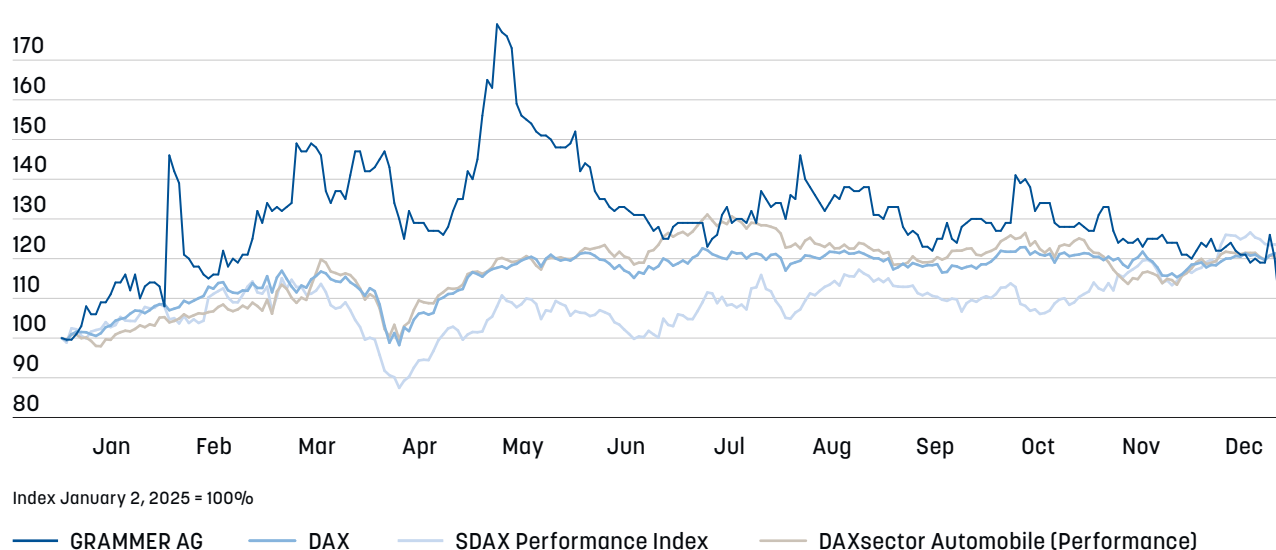
Positive development on German stock markets – automotive and supplier industry continues to face structural challenges

The German DAX benchmark index opened trading on January 2, 2025, at 19,923 points. Driven by expectations of monetary easing in Europe, a boom in technology and AI stocks, and positive momentum on the US stock markets, the DAX rose to around 22,845 points by mid-February. However, the positive momentum was interrupted in the spring. On April 2, 2025, the US government announced a comprehensive package of import tariffs that triggered concerns about global economy. The DAX slipped significantly in the days following the tariff announcement and marked its nadir for the year with 18,490 points on April 7, 2025. However, as the year progressed, the markets recovered noticeably. Gradual interest rate cuts by the European Central Bank as well as public investment programs in Europe – particularly in the areas of defense, infrastructure, and climate transformation – limited investors’ risk aversion and supported prices. On October 9, the DAX reached its highest level of the year at 24,771 points. Despite temporary setbacks due to the ongoing trade conflict as well as weak economic data, the index closed the year on December 30 at 24,490 points, representing a price increase of around 23% compared to the beginning of the year.

GRAMMER share price influenced by weak overall economic development and crisis in the automotive industry

The performance of GRAMMER’s share price in 2025 continued to be influenced by the difficult environment for the automotive and supplier industry. The share price opened trading on January 2, 2025, at EUR 4.82 and initially traded in a narrow range around the EUR 5.00 mark with low trading volumes. Following the publication of the 2024 annual financial statements, which forecast

Share price development 2025 – GRAMMER vs German share indices
in %



revenue of around EUR 1.9 billion and significantly improved profitability (operating EBIT of around EUR 60 million), the share price gained in attractiveness and rose significantly above EUR 7.00 at times. Over the course of the year, the share price performance was accompanied by quarterly reports: a significantly improved first quarter, a weaker second quarter, and third-quarter earnings that were again above the previous year’s level, with the annual outlook remaining unchanged in each case. Against this backdrop, the GRAMMER share price fluctuated mainly within a range

of around EUR 6.00 to EUR 8.00; the high for the year was roughly EUR 9.00 in mid-May, while the low for the year was recorded at just under EUR 4.90 at the beginning of the year. On the reporting date of December 30, 2025, GRAMMER shares closed at EUR 6.00, around 24% above the opening price for the year. The benchmark SDAX index recorded a change of around 25% over the same period, while the DAXsector Automobile industry index rose by 22%.

Key figures for the GRAMMER share 2021 to 2025

	2021	2022	2023	2024	2025
Earnings per share (in EUR)	0.08	-5.26	1.55 ²	-3.33 ²	1.40 ²
Year-end share price (Xetra, in EUR)	17.95	10.55	10.90	4.80	6.00
High for the year (in EUR)	27.80	19.45	17.60	11.30	9.00
Low for the year (in EUR)	17.20	7.92	10.15	4.50	4.90
Dividend (in EUR)	0.00	0.00	0.00	0.00 ¹	0.00 ¹
Number of shares	15,237,922	15,237,922	15,237,922	15,237,922	15,237,922
Market capitalization (in EUR m)	273.5	160.8	166.1	73.1	91.4

¹ For the new syndicated loan agreement concluded in the 2024 financial year, the suspension of dividends over the contractual term was agreed.

² Earnings per share from continuing operations

GRAMMER basic share data

As of December 31, 2025, GRAMMER AG's share capital amounted to EUR 39,009,080.32, divided into 15,237,922 bearer shares with a notional value of EUR 2.56 per share. Of these, the company holds 330,050 treasury shares. GRAMMER shares are traded on the Frankfurt Stock Exchange, via the Xetra electronic trading system, and through various other trading venues.

Dividends remain suspended

GRAMMER AG successfully secured its long-term group financing in the past financial year with two new syndicated loans. Despite a challenging industry environment, the company was also able to gain access to the Chinese financing market. With the conclusion of the new loan agreement in 2024, it was decided to suspend dividend payments during the term until 2027.

The accumulated loss for the 2025 financial year also precludes any distribution for the 2025 financial year.

Financial communications and Annual General Meeting

As a company listed on the Prime Standard segment of the German Stock Exchange, GRAMMER AG is subject to extensive transparency and disclosure requirements. The aim of investor relations work is to process and present current and future developments at the GRAMMER Group transparently for all stakeholders. In 2025, GRAMMER AG's Executive Board and IR team continued to engage in dialog with the capital market, providing regular and comprehensive information on the company's current business performance. As usual, quarterly conference calls were held to coincide with the publication of the annual and quarterly figures. Detailed information on the GRAMMER share price is published online at <https://www.grammer.com/en/investor-relations/>. In addition to current financial news and reports, presentations from conference calls are also available on the website. The Annual General Meeting was held as a virtual event on May 22, 2025. In addition to the main shareholder, other shareholders and shareholder repre-

sentatives were present at the Annual General Meeting, representing more than 86% of the voting share capital. All items on the agenda were approved by a large majority.

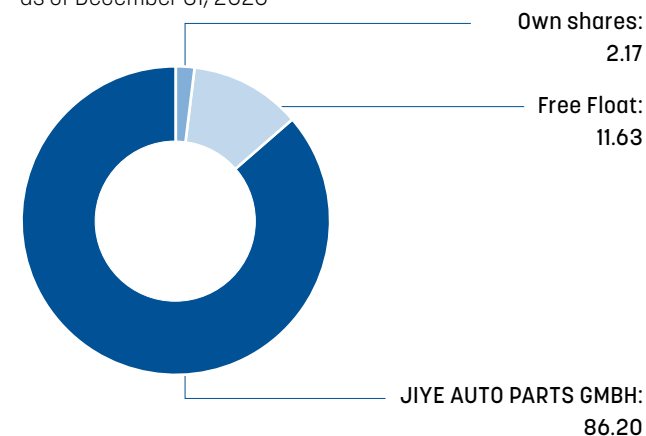
Shareholder structure

There were no changes to the shareholder structure in the 2025 financial year compared with the previous year. With a stake of 86.20%, Jiye Auto Parts GmbH remains the main shareholder of GRAMMER AG. The chart shown includes only shareholders who hold more than 3% of GRAMMER shares. It also indicates the number of treasury shares held. The current shareholder structure and voting rights notifications have also been published in the Investor Relations section of the GRAMMER AG.

Shareholder structure

in %

as of December 31, 2025



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Combined Management Report for the financial year from January 1 – December 31, 2025

Combined Management Report

The 2025 Annual Report combines the consolidated management report for the GRAMMER Group and the management report for GRAMMER AG, where possible and unless otherwise stated, in accordance with Section 315 (5) in conjunction with Section 298 (2) of the German Commercial Code (HGB). The Annual Report is published exclusively in digital format. It is available as a PDF on the GRAMMER website.

Effective December 31, 2024, the GRAMMER Group acquired the European business of the Ningbo Jifeng Group. The transaction was carried out as an asset deal with Jifeng Automotive Interior (JAI), a wholly owned subsidiary of the majority shareholder Ningbo Jifeng, whereby the business operations were transferred in their entirety and valued as a business combination in accordance with IFRS 3. The business combination was initially recognized based on the purchase price allocation as of December 31, 2024. In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing balance sheet. The consolidated statement of financial position was adjusted retrospectively in accordance with IFRS 3.

Forward-looking statements

This combined management report contains forward-looking statements based on current assumptions and estimates made by GRAMMER management regarding future developments. Such statements refer to periods in the future or are characterized by terms such as “expect,” “predict,” “intend,” “forecast,” “plan,” “estimate,” “anticipate,” or similar terms. Such statements are subject to risks and uncertainties that GRAMMER cannot control or accurately assess, such as the future market environment and economic conditions, the behavior of other market participants, the successful integration of new acquisitions and the realization of expected synergy effects, as well as measures taken by government agencies. Should any of these or other uncertainties or unknowns arise, or should the assumptions on

which these statements are based prove to be incorrect, actual results may differ materially from those expressed or implied in these statements. GRAMMER neither intends nor undertakes any separate obligation to update forward-looking statements in order to adapt them to events occurring after the publication of this document.

It is possible that the consolidated and annual financial statements may contain rounding differences.

Combined non-financial Report

The combined separate non-financial report was prepared in accordance with the disclosures required by Sections 315b and 315c in conjunction with Sections 289b to 289e of the HGB for the 2025 financial year and is publicly available in the “Combined non-financial report” section of the annual report and on the GRAMMER AG website (<https://www.grammer.com/en/company/sustainability-social-responsibility/>).

Corporate governance declaration

The corporate governance statement pursuant to Sections 289f and 315d of the HGB is publicly available in the “Corporate governance” section of the annual report and on the GRAMMER AG website (<https://www.grammer.com/en/investor-relations/corporate-governance/>).

Remuneration Report

The remuneration report was prepared jointly by the Executive Board and Supervisory Board of GRAMMER AG in accordance with Section 162 of the German Stock Corporation Act (AktG) and describes the basic principles of the remuneration system for both the Executive Board and the Supervisory Board. The remuneration report is publicly available in the “Corporate governance – remuneration report” section of the annual report and on the GRAMMER AG website (<https://www.grammer.com/en/investor-relations/corporate-governance/>).

1. Basis of the Group

1.1 Business model

The GRAMMER Group is a global company operating in two product areas across three regions – AMERICAS (North, Central, and South America), APAC (Asia-Pacific), and EMEA (Europe, Middle East, Africa). GRAMMER is a full-service supplier for the development and manufacture of driver and passenger seats for trucks, trains, buses, and off-road vehicles (construction machinery, forklifts, and tractors). GRAMMER develops and manufactures interior and control systems for the automotive industry, including headrests, armrests, center consoles, speaker grilles, and decorative trim. GRAMMER’s customers include automotive manufacturers and Tier 1 suppliers.

GRAMMER Group		
Revenue (FY 2025): EUR 1,821.2 m		
Employees (FY 2025): 0 11,904		
AMERICAS	EMEA	APAC
Revenue: EUR 316.9 m	Revenue: EUR 1,069.6 m	Revenue: EUR 477.3 m
Employees: 0 2,701	Employees: 0 7,255	Employees: 0 1,609

The consolidation effect of revenue generated within the Group between the regions amounted to EUR 42.6 million in the reporting year. On average, 339 employees worked in Central Services in 2025.

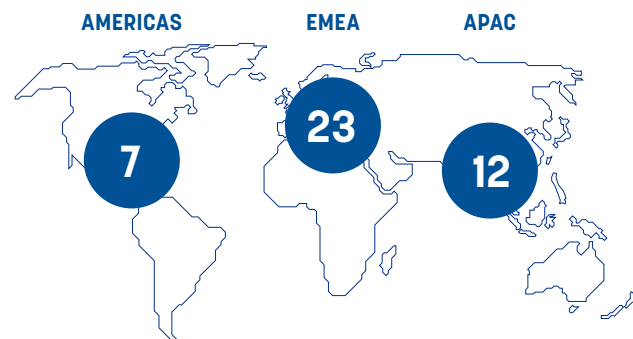
1.2 Corporate structure

GRAMMER Aktiengesellschaft (GRAMMER AG for short), headquartered in Ursensollen, Bavaria, is the parent company of the GRAMMER Group. It acts as a holding company and is responsible for managing the Group’s business activities. This includes all group-wide functions for which the Executive Board is directly

responsible, such as finance, accounting and controlling, investor relations, ESG, legal and compliance, internal audit, IT, human resources, and corporate communications. In addition, GRAMMER AG houses other central services such as Group R&D, Quality, Supplier Management, Project Management, and Sales for the Automotive and Commercial Vehicles product areas, as well as the operational management of EMEA. Responsibility for operational business is decentralized across the three regions, EMEA, AMERICAS, and APAC, which are also responsible for their respective income statements, balance sheets, and cash flows, and represent the reportable business segments of the GRAMMER Group. The development and implementation of a global market, customer, and product strategy is carried out specifically for the Automotive and Commercial Vehicles product areas. Together with the Executive Board, the heads of the regions and key group functions form the Executive Committee, the Group's management body.

GRAMMER has 42 (previous year: 44) production and logistics sites that manufacture and distribute products for the automotive and commercial vehicles industries, with varying degrees of vertical integration. Of those sites, 23 (previous year: 24) are located in EMEA, 12 (previous year: 12) in APAC, and 7 (previous year: 8) in AMERICAS.

Production and logistics sites



In addition to the parent company, GRAMMER AG, the consolidated financial statements include 38 fully consolidated companies (previous year: 39) and one (previous year: 2) at equity company. The changes occurred due to the dissolution of GRAMMER Industries LLC in the USA and the sale of shares in GRAMMER Truck Interior Systems LLC. GRAMMER is represented in 20 countries worldwide (previous year: 20).

The company's shares have been traded on the stock exchange (Frankfurt and Munich stock exchanges) and via the Xetra electronic trading system since 1996. GRAMMER AG is listed in the Prime Standard segment of the Frankfurt Stock Exchange. As of December 31, 2025, GRAMMER AG's share capital amounted to approximately EUR 39.0 million, divided into 15,237,922 bearer shares. The company holds 330,050 of these shares. Own shares therefore account for 2.17%. At 86.20%, the majority of the issued shares are held by Jiye Auto Parts GmbH, Frankfurt am Main. The free float of the shares is currently around 11.63%. On October 8, 2019, the main shareholder Jiye Auto Parts GmbH became an indirect subsidiary of Ningbo Jifeng Auto Parts Co. Ltd., Ningbo City, China, as part of a change in the ownership structure of its parent company. As a result, the GRAMMER Group has been fully consolidated into the Ningbo Jifeng Group since that date.

1.3 Corporate strategy and management

Electric vehicles and digitalization, a growing global population and increasing urbanization, sustainability and climate change – current trends are changing people's lives more rapidly and fundamentally than ever before. GRAMMER's strategy is shaped by its vision of supporting vehicle manufacturers and transit operators around the world in this transformation and successfully mastering the associated challenges. It refers to this strategy as "Solutions for a world on the move". The company's mission and ambition is to be the world's leading supplier of seating solutions for commercial vehicles and interior solutions for the automotive industry. GRAMMER strives to operate sustainably and to develop and manufacture products that set standards in ergonomics, comfort, and safety. The aim is for customers and partners in the original equipment and spare parts business to perceive GRAMMER as a leader in innovation and quality.

The strategic goals of the two product areas, Automotive and Commercial Vehicles, follow a clear direction. In the Automotive product area, the main areas of focus can be summarized under the guiding principles of "Extend" and "Sharpen". The restructuring of the functional components business planned under the "Reshape" strategic initiative was not continued due to the sale of the TMD Group. With "Extend", GRAMMER is pursuing the expansion of its business with center consoles and interior components, including through the modularization of products, system integration, and the expansion of cooperation with OEMs in product design. At the same time, the strategy aims to expand market share in the NEV (New Energy Vehicles) segment, in particular by acquiring new customers in China and by strategically supporting the automotive seating business in close cooperation with GRAMMER Jifeng Automotive Seating GmbH, Ursensollen, Germany, a joint venture with Ningbo Jifeng Auto Parts Co. Ltd. Under "Sharpen", work is under way to advance the optimization of seat components (especially headrests).

The Commercial Vehicles product area continues to focus on its core area of expertise, "seats", for the off-road and rail & road markets. Measures under the "Prioritize" banner are designed to help the product area win market share in the mid-size segment, expand market share in the truck segments, and continue to develop the rail business. "Reshape" summarizes the measures to strengthen the aftermarket business, expand the multi-functional armrest business in China, and stabilize the North America business.

New medium-term planning for 2028

The GRAMMER Group reviewed and updated its medium-term planning during the 2025 financial year. Due to structural and macroeconomic changes and the continuing weakness of the automotive industry, the schedule has been adjusted. Based on the measures already implemented to sustainably increase profitability and the expectation of medium-term sales growth, the Group now anticipates improved revenue and earnings by 2028.

The target for 2028 is therefore revenue of around EUR 2.5 billion with an operating EBIT margin of over 5%. This target reflects the structural improvements in the cost base and the increased operational efficiency of the Group. The expected growth will be driven primarily by a significant expansion of the automotive business in China, particularly due to the increasing importance of local Chinese customers. A significant increase in revenue is also expected in the automotive business in the AMERICAS region due to the ramp-up of new projects.

GRAMMER also made progress in its focus areas of customer focus, innovation and digitalization, and sustainability, and its goal of positioning itself as a preferred employer. GRAMMER will continue to focus on these key areas in the future and drive forward their implementation.

- In the “customer focus” strategic pillar, product quality and delivery reliability have improved continuously; error rates (PPM) fell from 14 in 2024 to 9 in the reporting year.
- With regard to innovation and digitalization, progress was made in implementing a PLM system and investments were made in production automation. In EMEA, three plants were migrated to the GRAMMER Group’s SAP environment as planned in connection with the integration of the JAI Group.
- In addition, the SAP Rise project, which involved migrating the SAP environment to the cloud, was successfully completed on time and on budget.
- In the focus area of sustainability, GRAMMER has achieved its goal of reducing its Scope 1 and 2 CO₂ emissions by 25% compared with 2019 levels by 2025.
- To become a “preferred employer”, GRAMMER continues to focus on a corporate culture based on respect and appreciation, promoting talent, and offering career opportunities. The score in the annual employee survey on GRAMMER culture and cooperation (WoW Pulse Survey) improved compared with the previous year, reaching 73%. Participation rates also rose to a global average of 74%.

Management process system

The GRAMMER Group’s internal value-based management system is based primarily on the performance indicators of revenue and operating earnings before interest and taxes (operating EBIT). Both metrics have been defined as the most important performance indicators since the 2020 financial year and remained so in 2025. Operating EBIT is defined as consolidated earnings before interest and taxes, i.e., excluding income taxes and the financial result and adjusted for currency effects and non-recurring items (e.g., restructuring expenses, expenses from change-of-control regulations, transaction costs from company acquisitions and divestitures, and special expenses in connection with shareholder issues). Consolidated operating earnings (operating EBIT) do not constitute a key performance indicator defined in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU. However, the GRAMMER Group uses operating EBIT for management purposes, as it provides a more transparent picture of the Group’s results of operations over time and allows for better comparisons, independent of non-recurring items that could distort the assessment of the company’s performance.

In addition, the GRAMMER Group monitors and analyzes financial indicators such as EBIT, employees (annual average), capital expenditure, working capital, free cash flow, net financial liabilities, equity, and gearing ratio.

1.4 Employees

In total, the GRAMMER Group had an average of 11,904 employees in the 2025 financial year (previous year: 12,116). While the number of employees at GRAMMER locations declined, 1,059 JAI employees were integrated into the GRAMMER Group in 2025. This resulted from the asset deal with a wholly owned subsidiary of the majority shareholder Ningbo Jifeng, which came into effect on December 31, 2024. The contractual agreements with the employees of the JAI Group took effect on January 1, 2025.

The reduction in the number of employees is attributable primarily to the GRAMMER Group’s 5.2% drop in revenue in the 2025 financial year. As a result, personnel capacities were adjusted to the decline in demand, particularly in the EMEA and AMERICAS regions. The personnel expense ratio was 24.1% and included restructuring expenses (previous year: 24.6% including higher restructuring expenses compared with 2025).

In AMERICAS, GRAMMER employed a total of 2,701 people on average (previous year: 3,196) – a significant decrease of 15% on the previous year.

In EMEA, there were an average of 7,255 employees in 2025 (previous year: 6,896). The 5% increase is attributable mainly to the integration of the JAI Group.

In APAC, GRAMMER employed an average of 1,609 people (previous year: 1,611). The employment level thus remained largely stable; at 1,431, the number of temporary workers was also almost at the same level as the previous year (previous year: 1,399).

In Central Services, the number of employees fell to an average of 339 (previous year: 413). The decline was the result of the strategic optimization of business processes. In addition, former headquarters functions were relocated to the Business Center in Niš, Serbia.

GRAMMER AG employed an average of 702 people in the 2025 financial year (previous year: 759).

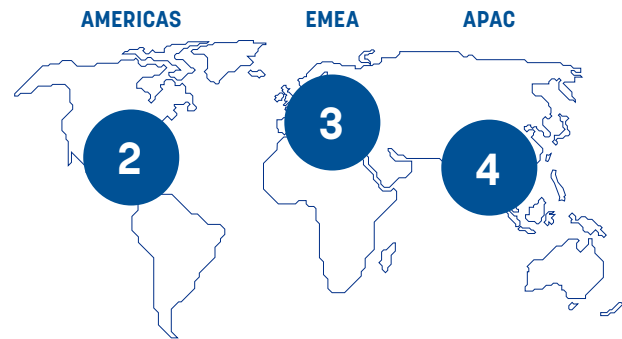
1.5 Research and development

Research and development (R&D) is a key element and forms an important foundation for strengthening GRAMMER's competitive position. The R&D strategy is designed to develop products that are consistently geared toward the needs of customers and end users in terms of ergonomics, functionality, safety, reliability, and sustainability. GRAMMER aims to be the preferred development partner for its international customers in key markets, with corresponding local R&D resources.

GRAMMER is pushing ahead with a competitive central core structure in the field of global engineering in EMEA and APAC. Within the global network, areas such as product strategy, simulation, material development, sustainability, and technology management are pooled in a central department for global tasks. The R&D structures in North America are geared toward regional needs and act as an intermediary organization for local customers and plants. Development for products that are industrialized in North America, however, is concentrated predominantly in EMEA and APAC.

In the 2025 financial year, GRAMMER had 9 R&D locations (previous year: 13), of which 3 (previous year: 5) were in EMEA, 2 (previous year: 3) in AMERICAS and 4 (previous year: 5) in APAC. A total of 534 (previous year: 543) engineers and R&D staff work there with the specific aim of continuously improving the sustainability, ergonomics, safety, functionality, quality, and aesthetics of GRAMMER products. With its local presence in the Chinese market, GRAMMER aims to establish close, regional cooperation with its customer, from the initial development stages to the final product, and taking into account country-specific market requirements. This is intended to enable GRAMMER to strengthen its market position, particularly with leading local Chinese OEMs.

Research and development centers



In 2025, non-capitalized research and development expenses amounted to EUR 60.0 million (previous year: EUR 72.8 million) and thus to 3.3% of total revenue (previous year: 3.8%). In addition, development expenses of EUR 3.8 million (previous year: EUR 7.4 million) were capitalized as fixed assets.

During the reporting period, GRAMMER successfully launched numerous development projects into series production and brought innovative products to market maturity. The number of intellectual property rights (patents, designs, and utility models) registered and granted across the Group amounted to 1,961 (previous year: 2,004).

2. Economic Report

2.1 General economic conditions

2.1.1 Macroeconomic conditions

In 2025, the global economy remained stable overall despite ongoing structural challenges, geopolitical tensions, and increasing economic uncertainty factors. Although, for example, the extensive tariff increases announced by the United States

in the spring of 2025 against major trading partners marked a significant departure from trade policy principles and at times caused considerable uncertainty in global markets, according to the International Monetary Fund (IMF), the private sector's high adaptability, front-loaded import activity, and a swift reorganization of global supply chains have helped ensure that the economic impact has remained moderate so far. In addition, bilateral trade agreements and a generally cautious response from many countries helped to keep the multilateral trading system largely open. Despite temporary tensions, the second half of the year was characterized by a trend toward the gradual reduction of trade barriers. Against this backdrop, the IMF expects global economic growth of 3.3% in 2025. Growth was also 3.3% in the previous year. According to the IMF, gross domestic product (GDP) rose by 1.7% in industrialized countries in 2025 and by 4.4% in emerging and developing countries.

The IMF assessed that the AMERICAS region was characterized by partly conflicting factors. In the US, more restrictive immigration regulations had a negative impact, but looser financing conditions, a weaker US dollar, and high capital expenditure on artificial intelligence supported demand. Economic output in 2025 rose accordingly by 2.1%. In Brazil and Mexico, GDP increased by 2.5% and 0.6% respectively.

In EMEA, subdued industrial momentum in particular had a negative impact on the economic environment. GDP growth within the eurozone amounted to 1.4%. In Germany, where weak industrial production coupled with declining exports had a particularly pronounced effect, growth was low at 0.2%. However, after a decline in economic output of -0.5% in the previous year, Germany was able to return to growth, supported by a more expansionary fiscal policy.

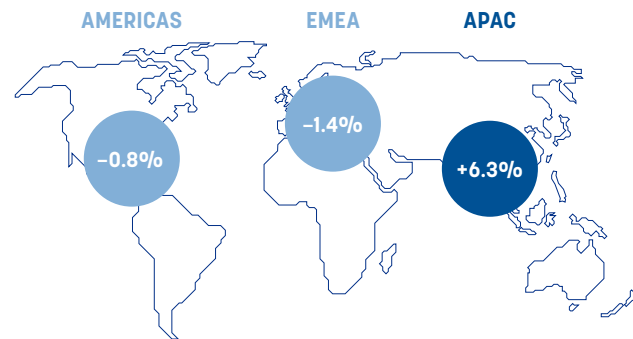
In APAC, the economy in China grew by 5.0% according to the IMF. The country, which was hit particularly hard by US tariffs, benefited above all from exchange rate adjustments, exports being

brought forward, and fiscal stimulus measures to encourage investment. That said, in addition to US tariffs, weaker demand in the domestic real estate sector in particular weighed on economic development. In Japan, GDP growth was 1.1%.

2.1.2 Industry-specific conditions

Global production increases – but European industry remains under pressure

Automotive production in 2025 compared with the previous year



The automotive industry saw selective growth in 2025. According to data from S&P Global Mobility, global production volume rose by 3.2% or 2.8 million units during the reporting period. Global growth was driven almost entirely by China, while mature markets in Europe, North America, Japan, and Korea were largely stagnant or in decline. The industry was once again under pressure in 2025 as a result of new tariffs and a recurring chip shortage. Against this backdrop, the strategic focus of many OEMs was less on expanding production volumes and more on profitability and disciplined management of production volumes. Accordingly, 2025 was characterized by regionally diverse developments and influenced by trade barriers and supply shortages.

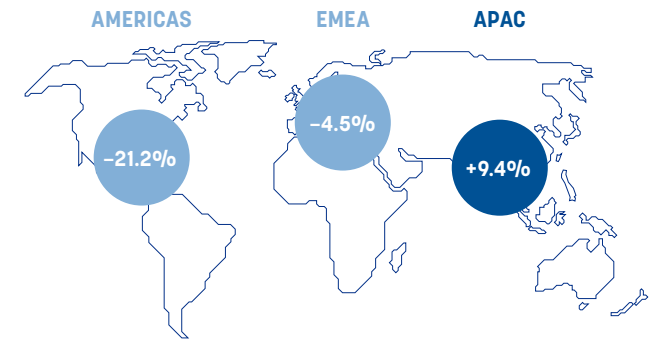
The European automotive industry in particular recorded further losses in the reporting period, with production falling by 1.4% or 0.3 million units in the EMEA region. The main reasons for this were weak economic growth, subdued consumer sentiment, and high vehicle prices and financing costs, which curbed demand. In addition, demand for electric vehicles was slower than expected, partly as a result of reduced or canceled subsidies and ongoing uncertainties regarding charging infrastructure and residual values. Geopolitical and structural factors also played an important role, including high energy and regulatory costs and increasing regulatory complexity.

The picture was mixed in APAC. Including China, production rose by 6.3% or +3.3 million units, but excluding China, it rose by only 1.6%, underscoring the overall subdued development of the established APAC markets. In China, production rose significantly by 9.8% or +2.9 million units, driven by a strong recovery in domestic demand, massive government support for NEVs (new energy vehicles), and the strong competitiveness of local OEMs with clear cost leadership. Although trade conflicts became increasingly significant, they still had only a limited impact on production volumes in 2025. At the same time, internationalization accelerated due to the increased expansion of Chinese manufacturers, particularly in Asia, Latin America, the Middle East, and Africa.

For AMERICAS, data from S&P Global Mobility shows a slight decline of 0.8% or -0.1 million units in the reporting period compared with the same period of the previous year. This development was influenced primarily by persistently high interest rates and the resulting subdued demand for vehicles; in addition, demand for EVs grew more slowly than expected. Rising labor costs, particularly in connection with agreements reached by the United Auto Workers (UAW) union, further increased cost pressure. Against this backdrop, many OEMs opted for strict volume discipline to secure margins, adjusted EV investment plans, and focused more on particularly profitable segments such as pickups and SUVs.

Commercial vehicle market impacted by macroeconomic development

Commercial vehicle production (trucks and buses) in 2025 compared with the previous year



In the commercial vehicle sector, S&P Global Mobility estimates a slight decline in global production volumes of 0.8% (-0.03 million units) in the 2025 financial year. The commercial vehicle market continued to be affected by the global economic slowdown, but showed widely diverging regional trends. While mature markets – particularly North America and Europe – were under significant pressure, the overall picture was stabilized, as in the automotive market, primarily by strong growth in China. In many markets, OEMs also faced the challenge of controlling costs while simultaneously driving forward the transition to electric powertrains.

In EMEA, production declined by 4.5% (-0.03 million units). In Europe, sales figures for heavy-duty vehicles declined during the reporting period, reflecting weak demand and overall reluctance to invest in the transport sector. At the same time, acceptance of electric trucks rose significantly, driven by continued significant investment in electrification by OEMs and compara-

tively robust development in individual Eastern European markets. This showed an increasing structural shift toward alternative drivetrains despite the overall market decline.

APAC, on the other hand, recorded a 9.4% increase in production (+0.2 million units) in the 2025 financial year, with China being the main driver with an increase of 13.9%. Excluding China, growth in the region was only 2.7%. This was driven in particular by record sales in the heavy-duty segment, which were triggered by strict government regulations on the modernization of old trucks. This led to significant growth, particularly in battery electric and natural gas (LNG) vehicles, while the importance of diesel engines gradually declined.

For AMERICAS, data from S&P Global Mobility shows a significant decline of 21.2% or 0.2 million units compared with the same period of the previous year. One of the most decisive factors was the sharp downturn in North America triggered by weak freight demand, overcapacity, and high fixed costs. Amid these circumstances, manufacturers focused on strict cost control and preparing for and implementing the transition to electrified powertrains, which further impacted production momentum.

Agricultural machinery

The agricultural machinery industry recorded a 4.6% decline in production worldwide in 2025 (-0.1 million units). This was driven by an overall reluctance to invest and a targeted reduction in dealer inventories – particularly in North America – against the backdrop of a difficult situation for farmers in terms of earnings in previous years, high financing costs, and a wait-and-see approach to investment.

Construction machinery sector

According to the VDMA and customer data, production in the global construction machinery sector also declined significantly by 8.3% (96,699 units). The main reasons were the ongoing market weakness in a challenging economic environment and declining investment in construction and infrastructure, which dampened demand. In addition, increasing margin pressure

led to cautious production planning by OEMs, with a focus on volumes, cash flow, cost control, and margin stabilization. At the same time, Chinese OEMs are increasingly pursuing an international expansion strategy to secure sales growth and profitability, which is leading to increased competition and market share pressure on other OEMs.

Material handling

The material handling industry developed in line with the construction machinery sector last year, recording a 5.9% decline in production (65,475 units). Although structural trends such as automation and logistics are providing support in the long term, demand remained subdued in the short term, particularly against the backdrop of high interest rates, reluctance to invest, and geopolitical uncertainties. Lower capital expenditure on e-commerce and logistics infrastructure in Europe compared with the previous year also had a negative impact.

Rail industry

The global rail transport industry continued to show robust development in 2025. Order intake and revenue grew, and a high order backlog ensures long-term visibility of performance. Major orders for new trains and digitalization solutions demonstrate the continuing willingness to invest in rail vehicles and infrastructure.

2.2 Significant events in 2025

Expectations exceeded: operating earnings significantly above previous year despite decline in revenue

Business development in 2025 was impacted by continuing macroeconomic and industry-specific uncertainties. Demand remained weak in large parts of the automotive and commercial vehicle industries, for example. These challenges were exacerbated by considerable uncertainty regarding trade policy over the course of the year. Accordingly, revenue for the financial year was EUR 1,821.2 million, down from the previous year's figure (EUR 1,921.7 million). Nevertheless, GRAMMER AG was able to significantly increase its operating earnings and exceed the forecast published in March 2025, as already reported in the ad hoc announcement dated February 2, 2026. The higher-

than-expected profitability was attributable mainly to developments in the fourth quarter of 2025. The EMEA region in particular contributed to this development through the consistent implementation of the "Top 10" measures, such as restructuring initiatives, efficiency enhancement programs, and the offsetting of increased costs through customer contributions. These efforts enabled GRAMMER to exceed its full-year forecast for operating EBIT of around EUR 60 million, achieving earnings of EUR 75.1 million (previous year: EUR 41.6 million).

Changes in the committees

There were several personnel changes on the Executive Board of GRAMMER AG in the 2025 financial year. Jurate Keblyte, Chief Financial Officer since 2019, left the company at her own request on March 31, 2025. Effective April 1, 2025, Thomas Strobl was appointed to the Executive Board for an initial term of one year and assumed responsibility for finance and IT management. Later in the year, Thomas Strobl then left the Executive Board by mutual agreement on June 20, 2025. On the same date, Kelvin (Bangben) Wang was appointed to the Executive Board as Group Chief Financial Officer (CFO). Mr. Wang has been with GRAMMER since August 2022, initially as CFO at regional level.

There were also changes in the composition of the Supervisory Board of GRAMMER AG in 2025. In order to pave the way for the replacement of the members whose terms were due to expire, five shareholder representatives, including the then Chairman Dr. Martin Kleinschmitt, resigned from their positions prematurely on February 19, 2025. At the 2025 Annual General Meeting on May 22, 2025, the shareholders of GRAMMER confirmed the successors who had previously been court-appointed. At the end of 2025, the Supervisory Board also elected Supervisory Board member Dr. Markus Lauer as the new Chair of the Board effective January 1, 2026. He replaces Dr. Ping He, who resigned as chairman for personal reasons effective December 31, 2025. Dr. Ping He will continue to serve as a member of the Supervisory Board, to which he has been elected until the 2030 Annual General Meeting.

“Top 10” measures

In the 2025 financial year, GRAMMER responded to the changed market conditions and challenging economic environment by continuing its “Top 10” measures and taking appropriate steps to increase profitability on a sustainable basis. The consistent implementation of these measures led to a significant improvement in operating earnings.

Initiatives to reduce personnel costs in the EMEA region, such as the introduction of the restructuring and future collective agreement and the “Satellite” project (relocation of headquarters functions to Niš, Serbia), made a significant contribution to this. The restructuring and future collective agreement is a supplementary collective agreement between GRAMMER, IG Metall, and the employee representatives at the Amberg locations. It serves to secure the competitiveness, restructuring, and future direction of the company in an economically challenging environment. The GRAMMER Business Center in Niš, Serbia, was fur-

ther expanded in 2025 and now employs more than 100 people. By pooling administrative functions, the center makes a significant contribution to efforts to cut administrative costs.

In the AMERICAS region, the priorities under the “Top 10” program included improving capacity utilization, adjusting sales and administrative costs, and implementing a strategic portfolio adjustment. In this context, the stake in GRA-MAG Truck Interior Systems LLC was sold and GRAMMER Industries LLC was dissolved in the 2025 financial year. Both companies, based in the AMERICAS region, were positioned outside GRAMMER’s core business. With the sale and liquidation respectively, the GRAMMER Group is systematically focusing on its core business.

Product developments: further development of suspension systems for off-road applications

In the Commercial Vehicles product area, GRAMMER has developed a new suspension system that represents the next gener-

ation of the previous series. The suspension design aims to offer improved suspension performance compared with previous models and is intended to meet the functional requirements that will apply to vehicle cabs in the future. A new upper seat section is still in development and is expected to be ready for series production in 2026.

In the Automotive product area, GRAMMER recently developed a center console for which the CO₂ footprint was optimized through the use of sustainable materials. With a focus on “design for circularity”, the center console was developed to be largely recyclable at the end of its life cycle. In addition, the item’s weight is below the specified target, further supporting the efficiency of the vehicle as an end product.

In the area of innovation, GRAMMER focuses on targeted cooperations with customers and working jointly on the development of future products.

2.3 Overview of key figures and business performance

GRAMMER Group Key figures

EUR m

	GRAMMER Group			EMEA			AMERICAS			APAC		
	2025	2024 ¹	Change	2025	2024	Change	2025	2024 ¹	Change	2025	2024	Change
Revenue	1,821.2	1,921.7	-100.5	1,069.6	1,044.3	25.3	316.9	391.7	-74.8	477.3	536.6	-59.3
EBIT	69.1	8.1	61.0	58.5	9.8	48.7	-15.6	-19.8	4.2	42.4	46.6	-4.2
EBIT margin (%)	3.8	0.4	3.4% points	5.5	0.9	4.6% points	-4.9	-5.1	0.2% points	8.9	8.7	0.2% points
Operating EBIT	75.1	41.6	33.5	62.8	25.2	37.6	-14.7	-15.8	1.1	43.2	46.5	-3.3
Operating EBIT margin (%)	4.1	2.2	1.9% points	5.9	2.4	3.5% points	-4.6	-4.0	-0.6% points	9.1	8.7	0.4% points
Capital expenditure (without acquisitions through business combinations and financial assets)	94.0	96.3	-2.3	29.8	34.6	-4.8	26.7	11.5	15.2	29.1	38.7	-9.6
Employees (number, average)	11,904	12,116	-212	7,255	6,896	359	2,701	3,196	-495	1,609	1,611	-2

The consolidation effect of the revenue generated within the Group between the regions amounted to EUR 42.6 million in the reporting year. On average, 339 people were employed in Central Services in 2025.

¹ Continuing operations

GRAMMER Group Business performance

As expected, the 2025 financial year was marked by geopolitical tensions, weak industrial production, and political uncertainty. In particular, the seemingly erratic trade policy of the US repeatedly led to considerable uncertainty on the global markets. Subdued demand in the EMEA and AMERICAS regions led to a decline in production volumes in the automotive and commercial vehicle industries. These macroeconomic and sector-specific uncertainties also impacted GRAMMER's business development.

Consolidated revenue from continuing operations declined to EUR 1,821.2 million (previous year from continuing operations: EUR 1,921.7 million). Adjusted for currency effects, revenue amounted to EUR 1,854.7 million. In the AMERICAS region, revenue declined significantly by 19.1% to EUR 316.9 million (previous year: EUR 391.7 million) due to lower customer call-offs in the Automotive product area. The weakness in the Automotive product area also caused revenue in APAC to decline by 11.1% to EUR 477.3 million (previous year: EUR 536.6 million). By contrast, the GRAMMER Group's largest region in terms of revenue share delivered robust performance: EMEA, driven by both product areas, recorded a slight increase in revenue of 2.4% to EUR 1,069.6 million (previous year: EUR 1,044.3 million).

Despite declining revenue, GRAMMER significantly improved its operating profitability. Consolidated operating earnings before interest and taxes (operating EBIT) rose to EUR 75.1 million (previous year: EUR 41.6 million). The positive development in profitability is attributable primarily to the EMEA region, which made a significant contribution through the consistent implementation of the "Top 10" measures, such as restructuring initiatives, efficiency enhancement programs, and the offsetting of

increased costs through customer contributions. The operating EBIT margin was 4.1% (previous year: 2.2%). Operating EBIT was adjusted for negative currency effects of EUR 11.3 million, income from the reversal of restructuring provisions of EUR 3.8 million, and a deconsolidation gain for a US Group company and the sale of shares in GRA-MAG Truck Interior Systems LLC of EUR 1.5 million. This includes a negative effect in the Central Services area of EUR 1.7 million resulting from the deconsolidation of the US company. Accordingly, consolidated EBIT amounted to EUR 69.1 million (previous year: EUR 8.1 million).

Derivation of operating EBIT

	2025	2024
EUR m		
EBIT from continuing operations	69.1	8.1
Currency-translation effects	11.3	-3.0
Expenses for restructuring measures	-3.8	35.7
Expenses for sale of company/ deconsolidation	-1.5	0.0
Expenses for refinancing	0.0	0.8
Operating EBIT from continuing operations	75.1	41.6

Financial expenses rose by 4.7% year on year to EUR 47.9 million. Consolidated earnings before taxes amounted to EUR 32.5 million (previous year: EUR -23.7 million) and were thus significantly higher than in the previous year. At EUR 23.5 million, the GRAMMER Group's earnings after taxes were also well above the previous year (previous year: EUR -48.0 million). Earnings

per share from continuing operations amounted to EUR 1.40 (previous year: EUR -3.33).

Free cash flow from continuing operations amounted to EUR 39.1 million in the 2025 financial year (previous year: EUR -18.9 million), which was attributable primarily to the positive earnings before taxes. Capital expenditure from continuing operations was in line with planning at EUR 94.0 million (previous year: EUR 96.3 million) and related in particular to new projects, digitalization, and a plant expansion. Net debt rose to EUR 476.8 million as of December 31, 2025 (December 31, 2024: EUR 462.6 million). Taking into account the subordinated nature of the loans from the majority shareholder Ningbo Jifeng, net debt amounted to EUR 347.2 million (previous year: EUR 333.0 million).

2.4 Overall assessment of the 2025 financial year by the Executive Board and reconciliation of business performance in 2025 with the outlook

From the perspective of the Executive Board, the GRAMMER Group closed the 2025 financial year on a satisfactory note overall. GRAMMER consistently continued the "Top 10" program initiated at the end of 2023 during the reporting period and made progress in 2025. In particular, capacity adjustments in line with demand in the EMEA and AMERICAS regions and the successful signing of the restructuring and future-oriented collective agreement had a positive impact on the GRAMMER Group's earnings performance. At the same time, the relocation of further administrative operations to the new GRAMMER Business Center in Serbia brought about a lasting improvement in the GRAMMER Group's cost structures. Overall, GRAMMER achieved significantly greater operational resilience in 2025 despite the continuing highly challenging market environment.

In its forecast for 2025 as a whole issued at the end of March 2025, GRAMMER anticipated revenue at the previous year's level of around EUR 1.9 billion (previous year: EUR 1.9 billion). Operating EBIT was expected to rise to around EUR 60 million compared with the 2024 financial year (previous year: EUR 41.6 million). During the reporting period, revenue in EMEA rose slightly, which was attributable to positive development in both product areas, bucking the market trend. At the same time, operating earnings in the region improved markedly as a result of the "Top 10" measures. In the APAC region, the Automotive product area recorded a volume-related decline in revenue, which had a negative impact on operating EBIT. In the AMERICAS region, revenue declined in both product areas. Due to ongoing start-up costs for the new commercial vehicles plant in the USA, inefficiencies in production, and expenses for ramping up new projects, operating EBIT remained negative. Ultimately, consolidated revenue for 2025 amounted to EUR 1,821.2 million, falling short of the original forecast of approximately EUR 1.9 billion. By contrast, at EUR 75.1 million, operating EBIT significantly exceeded the forecast of around EUR 60 million published in the 2024 combined management report. This was due mainly to margin improvement in EMEA as a result of consistent implementation of the "Top 10" measures, such as restructuring initiatives, efficiency enhancement programs, and offsetting increased costs through customer contributions.

2.5 GRAMMER Group results of operations

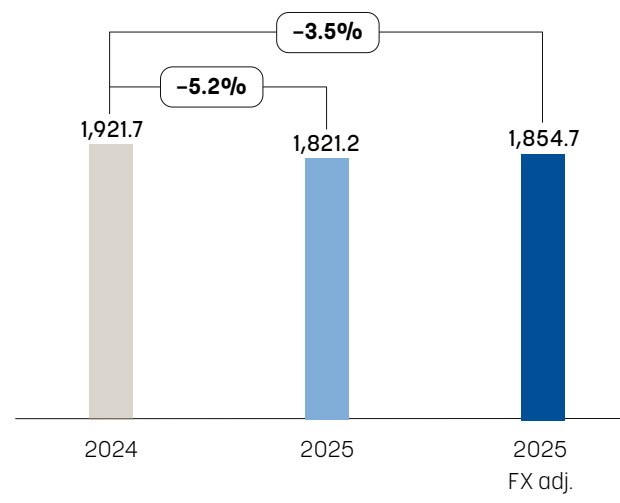
2.5.1 GRAMMER Group revenue

The GRAMMER Group's revenue in the 2025 financial year was EUR 1,821.2 million (previous year: EUR 1,921.7 million), down 5.2% on the previous year. Adjusted for currency effects, revenue declined by 3.5%. The decline in revenue was due mainly to the overall downturn in the automotive and commercial vehicle industries and ongoing uncertainty surrounding trade policy, which had a particularly negative impact on demand in key sales markets. In terms of business segments, the largest share of the decline in revenue came from the AMERICAS region, where

revenue fell sharply by 19.1% to EUR 316.9 million. In APAC, revenue also declined significantly by 11.1% to EUR 477.3 million. In EMEA, revenue rose by 2.4% to EUR 1,069.6 million. There was also disparate development in the product areas. Revenue in the Automotive product area declined by 8.8% to EUR 1,157.4 million, while revenue in the Commercial Vehicles product area rose slightly by 1.8% to EUR 663.8 million. The total figure included revenue from development services amounting to EUR 107.1 million (previous year: EUR 112.8 million). The corresponding revenue from development activities of the GRAMMER Group is allocated to expenses for resources, tools, and equipment incurred up to the start of series production.

GRAMMER Group revenue (incl. FX-adjustment)

EUR m



2.5.2 Revenue in the regions

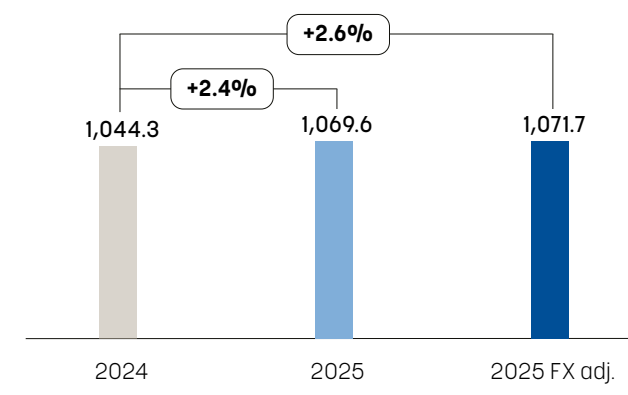
EMEA

In EMEA, GRAMMER recorded revenue of EUR 1,069.6 million in the 2025 financial year (previous year: EUR 1,044.3 million), an

increase of 2.4% compared with the previous year. Both product areas contributed to the increase in revenue. The Commercial Vehicles product area recorded growth of 2.9% to EUR 449.1 million (previous year: EUR 436.6 million) and automotive revenue rose by 2.1% to EUR 620.5 million (previous year: EUR 607.7 million). This enabled GRAMMER to grow in the region, bucking the market trend, which was attributable mainly to the integration of the Jifeng Automotive Interior (JAI) Group.

EMEA revenue (incl. FX-adjustment)

EUR m



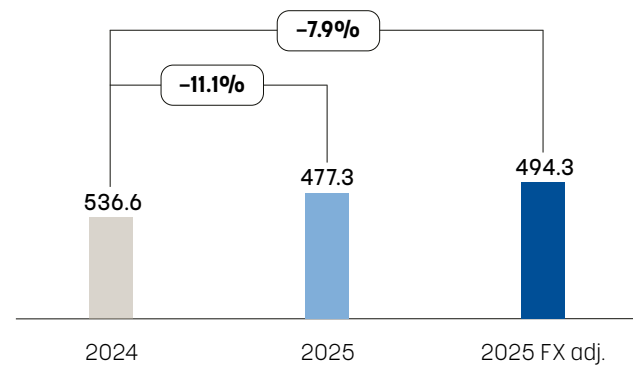
APAC

In APAC, revenue decreased by 11.1% year on year to EUR 477.3 million (previous year: EUR 536.6 million). Adjusted for currency effects, the decline in revenue was 7.9%. The decrease in the region was attributable primarily to the Automotive product area, where revenue fell by 15.6% to EUR 341.4 million due to lower customer call-offs (previous year: EUR 404.6 million). American and European OEMs in particular have lost market share to local OEMs in China, which now account for more than 50% of GRAMMER China's revenue in the Automotive product area. This was compounded by a price war among local OEMs, which led

to a decline in demand for certain vehicle platforms for which GRAMMER supplies interior systems. In the Commercial Vehicles product area, revenue rose by 3.0% to EUR 135.9 million. The increase was attributable mainly to the offroad product segment.

APAC revenue (incl. FX-adjustment)

EUR m

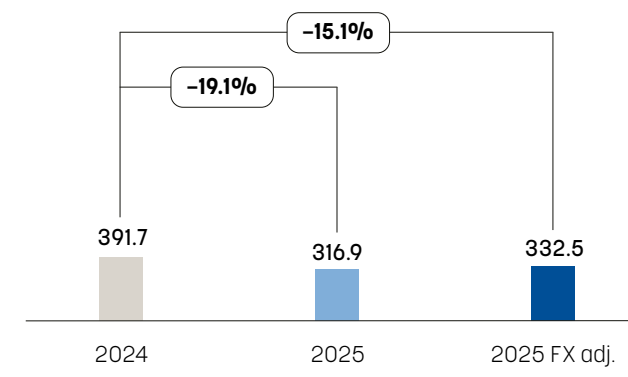


AMERICAS

AMERICAS recorded a 19.1% decline in revenue to EUR 316.9 million in 2025 (previous year: EUR 391.7 million). Adjusted for currency effects, the decline in revenue amounted to 15.1%. The year-on-year drop in revenue was attributable chiefly to the Automotive product area, where revenue fell by 24.1% to EUR 209.8 million (previous year: EUR 276.3 million). The Commercial Vehicles product area recorded a decline of 7.2% to EUR 107.1 million (previous year: EUR 115.4 million). The lower revenue in the Automotive product area in the AMERICAS region relates mainly to the discontinuation of model series by several OEMs, including the unplanned end of production of a console model by a US manufacturer and a significantly lower call-off volume than expected for another project, as well as lower market demand.

AMERICAS revenue (incl. FX-adjustment)

EUR m



Revenue development by region and product area

EUR m

	GRAMMER Group			EMEA			AMERICAS			APAC		
	2025	2024 ¹	Change	2025	2024	Change	2025	2024 ¹	Change	2025	2024	Change
Automotive	1,157.4	1,269.5	-8.8%	620.5	607.7	2.1%	209.8	276.3	-24.1%	341.4	404.6	-15.6%
Commercial Vehicles	663.8	652.2	1.8%	449.1	436.6	2.9%	107.1	115.4	-7.2%	135.9	132.0	3.0%
Revenue	1,821.2	1,921.7	-5.2%	1,069.6	1,044.3	2.4%	316.9	391.7	-19.1%	477.3	536.6	-11.1%

The consolidation effect of the revenue generated within the Group between the regions amounted to EUR 42.6 million in the reporting year.

¹Continuing operations

2.5.3 GRAMMER Group earnings GRAMMER Group condensed statement of income

in EUR k

	2025	2024	Change
Revenue	1,821,203	1,921,727	-100,524
Cost of sales	-1,612,069	-1,732,418	120,349
Gross profit	209,134	189,309	19,825
Selling expenses	-28,960	-27,227	-1,733
Administrative expenses	-164,581	-177,113	12,532
Other operating income	53,508	23,093	30,415
Earnings before interests and taxes (EBIT)	69,101	8,062	61,039
Financial income	8,013	9,170	-1,157
Financial expenses	-47,936	-45,774	-2,162
Other financial result	3,311	4,826	-1,515
Earnings from continuing operations before taxes	32,489	-23,716	56,205
Income taxes	-9,013	-24,317	15,304
Net profit / loss from continuing operations	23,476	-48,033	71,509
Net profit / loss from discontinued operations	0	-44,728	44,728
Net profit / loss	23,476	-92,761	116,237

Despite declining revenue, GRAMMER achieved a significant increase in operating EBIT to EUR 75.1 million in the 2025 financial year (previous year: EUR 41.6 million). The main factors behind the significant increase in profitability were the "Top 10" program, the restructuring measures that were introduced, and the timely seasonal capacity adjustments, which led to increased efficiency at the plants. Furthermore, the significant increase should also

be viewed in the context of weak earnings in the previous year, which were influenced by non-recurring factors such as increased costs due to volatile plant utilization and start-up expenses for a commercial vehicles plant in North America. Operating EBIT was adjusted for negative currency effects of EUR 11.3 million, income from the reversal of restructuring provisions of EUR 3.8 million, and a deconsolidation gain for a US Group company and the sale of shares in GRA-MAG Truck Interior Systems LLC of EUR 1.5 million. Accordingly, consolidated EBIT amounted to EUR 69.1 million (previous year: EUR 8.1 million).

With revenue declining by 5.2% to EUR 1,821.2 million, cost of sales fell by EUR 120.3 million or 6.9% to EUR 1,612.1 million (previous year: EUR 1,732.4 million). This improved the gross margin from 9.9% to 11.5%.

Administrative expenses fell to EUR 164.6 million, mainly as a result of the efficiency measures from the "Top 10" program (previous year: EUR 177.1 million). In the previous year, this figure included EUR 35.7 million in restructuring expenses. In addition, effects from the foreign currency valuation of receivables and liabilities are included. While the previous year included exchange rate losses of EUR 16.1 million and exchange rate gains of EUR 19.1 million, the 2025 financial year saw exchange rate gains of EUR 20.5 million and exchange rate losses of EUR 31.8 million.

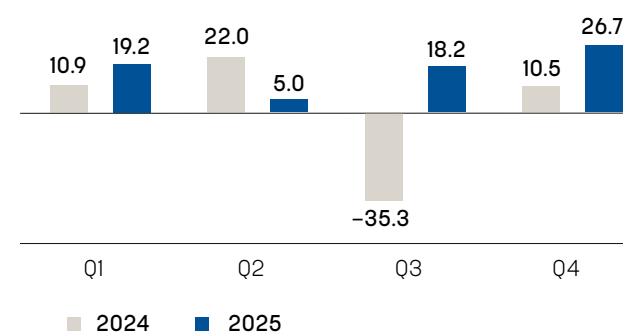
Personnel expenses decreased to EUR 438.1 million (previous year: EUR 473.3 million), which was significantly below the previous year's level despite wage increases under collective agreements. The decline was due mainly to high restructuring expenses in the previous year. By contrast, structural measures in the reporting year, particularly process optimizations, the relocation of roles to lower-cost countries, and job cuts, led to a sustained reduction in personnel expenses.

Other operating income rose significantly from EUR 23.1 million in the previous year to EUR 53.5 million in the 2025 financial year. This

increase was attributable mainly to the reversal of provisions, and customer compensation received. The reversal of provisions resulted in other operating income of EUR 13.4 million. Of this amount, EUR 6.3 million is attributable to the reversal of warranty provisions due to the insolvency of a contractual partner, while at the same time a countervailing expense of EUR 5.2 million arose from this. Customer compensation received in the amount of EUR 7.6 million is also responsible for the increase.

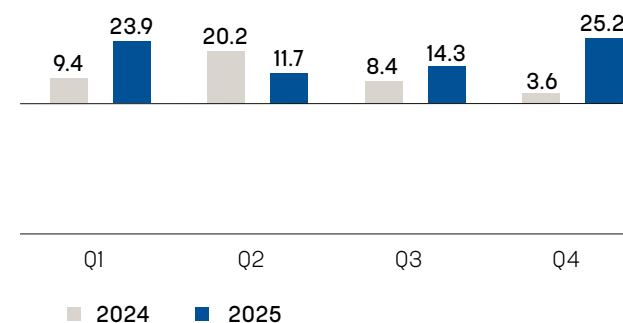
GRAMMER Group EBIT by quarter

EUR m



GRAMMER Group operating EBIT by quarter

EUR m



At EUR –36.6 million, the financial result was below the previous year's figure of EUR –31.8 million. Financial expenses increased to EUR 47.9 million (previous year: EUR 45.8 million) due to higher interest rates on loans and overdraft facilities. In addition, financial income declined to EUR 8.0 million (previous year: EUR 9.2 million). The previous year included EUR 1.9 million in interest refunds, while the figure for the current financial year was EUR 0.3 million.

Other financial income fell to EUR 3.3 million (previous year: EUR 4.8 million). This development was due mainly to currency effects, attributable primarily to fluctuations in the US dollar and the Czech koruna. The exchange rate for intra-Group loans was balanced in 2025, while a gain of EUR 5.7 million was recorded in 2024. The exchange rate gain on cash and cash equivalents amounted to EUR 3.2 million, compared with a loss of EUR 0.9 million in 2024.

Earnings from continuing operations before taxes amounted to EUR 32.5 million in the 2025 financial year (previous year: EUR –23.7 million), due mainly to improvements in operating EBIT.

During the reporting period, income tax expense of EUR 9.0 million (previous year: EUR 24.3 million) was recognized. The increased tax expense in the previous year was due primarily to the non-recognition of deferred tax assets on loss carryforwards from the US and EMEA.

The EUR 15.3 million year-on-year decrease in income tax expense resulted mainly from deferred tax income of EUR 11.2 million (previous year: deferred tax expense of EUR 7.1 million). This was attributable chiefly to the recognition of deferred tax assets abroad – mainly in connection with the liquidation of a company in the United States – and to the decline in deferred tax liabilities in Germany. The latter is related particularly to the gradual reduction in the corporate income tax rate from the 2028 assessment period onward. Overall, deferred tax income is based mainly on changes in temporary differences.

Earnings from continuing operations after taxes amounted to EUR 23.5 million in 2025 (previous year: EUR –48.0 million; including discontinued operations: EUR –92.8 million).

Basic/diluted earnings per share are calculated from the earnings from continuing operations after taxes, adjusted for non-controlling interests and hybrid loan providers' interests, and amounted to EUR 1.40 in the 2025 financial year (previous year: EUR –3.33).

ROCE for the 2025 financial year was 7.5% (previous year: 0.9%). ROCE refers to the EBIT reported for the respective financial year in relation to the average operating assets (average assets required for operations minus average liabilities required for operations) in the same financial year, calculated as a percentage.

2.5.4 Appropriation of profit

The appropriation of profits at GRAMMER AG is based on the accumulated profit/loss reported in the company's annual financial statements prepared in accordance with commercial law. GRAMMER AG reported an accumulated loss of EUR –244.1 million as of December 31, 2025 (accumulated loss as of December 31, 2024: EUR –261.3 million). This figure included net income for the 2025 financial year of EUR 17.2 million (previous year: net loss of EUR –115.2 million). Due to GRAMMER AG's accumulated loss in the previous financial year, no dividend is currently proposed. Furthermore, when the new loan agreement was renewed in 2024, it was decided to suspend dividend payments during the term until 2027.

2.5.5 Earnings performance in the regions

EMEA

Operating EBIT in EMEA, where the Group's highest-revenue companies are located, was significantly higher than the previous year at EUR 62.8 million (previous year: EUR 25.2 million). The operating EBIT margin improved accordingly to 5.9% (previous year: 2.4%). Operating EBIT was adjusted for negative currency

effects of EUR 4.7 million, income from the reversal of restructuring provisions of EUR 0.7 million, and a negative effect from receivables written off in connection with the deconsolidation of the US Group company GRAMMER Industries LLC amounting to EUR 0.3 million. Consequently, EBIT for 2025 as a whole amounted to EUR 58.5 million (previous year: EUR 9.8 million). The EBIT margin was 5.5% (previous year: 0.9%). The significant improvement in profitability in the region was attributable primarily to the consistent implementation of the "Top 10" measures, including restructuring measures, efficiency enhancements, and the offsetting of increased costs through customer contributions.

EMEA key figures

EUR m	2025	2024	Change
Revenue	1,069.6	1,044.3	25.3
EBIT	58.5	9.8	48.7
EBIT margin (%)	5.5	0.9	4.6%-points
Operating EBIT	62.8	25.2	37.6
Operating EBIT margin (%)	5.9	2.4	3.5%-points
Capital expenditure (without acquisitions through business combinations and financial assets)	29.8	34.6	–4.8
Employees (number, average)	7,255	6,896	359

APAC

Operating EBIT in APAC fell to EUR 43.2 million (previous year: EUR 46.5 million), mostly as a result of the decline in revenue. Negative currency effects amounting to EUR 0.8 million were adjusted for. The operating EBIT margin improved to 9.1% (previous year: 8.7%). EBIT fell to EUR 42.4 million (previous year: EUR 46.6 million). The EBIT margin improved slightly by 0.2 percentage points to 8.9% (previous year: 8.7%).

APAC key figures

EUR m			
	2025	2024	Change
Revenue	477.3	536.6	-59.3
EBIT	42.4	46.6	-4.2
EBIT margin (%)	8.9	8.7	0.2%-points
Operating EBIT	43.2	46.5	-3.3
Operating EBIT margin (%)	9.1	8.7	0.4%-points
Capital expenditure (without acquisitions through business combinations and financial assets)	29.1	38.7	-9.6
Employees (number, average)	1,609	1,611	-2

AMERICAS

Operating EBIT in AMERICAS remained negative at EUR -14.7 million, improving compared with the previous year (previous year: EUR -15.8 million), with an operating EBIT margin of -4.6% (previous year: -4.0%). Earnings were impacted primarily by ongoing start-up costs for the new commercial vehicles plant in the US, inefficiencies in production, and expenses for ramping up new projects. EBIT amounted to EUR -15.6 million (previous year: EUR -19.8 million) and included a positive effect of EUR 1.3 million

from the deconsolidation of a US Group company GRAMMER Industries LLC, EUR 3.6 million from the sale of shares in GRA-MAG Truck Interior Systems LLC, and negative currency effects of EUR 5.8 million. The EBIT margin was -4.9% (previous year: -5.1%).

AMERICAS key figures

EUR m			
	2025	2024 ¹	Change
Revenue	316.9	391.7	-74.8
EBIT	-15.6	-19.8	4.2
EBIT margin (%)	-4.9	-5.1	0.2%-points
Operating EBIT	-14.7	-15.8	1.1
Operating EBIT margin (%)	-4.6	-4.0	-0.6%-points
Capital expenditure (without acquisitions through business combinations and financial assets)	26.7	11.5	15.2
Employees (number, average)	2,701	3,196	-495

¹ Continuing operations

2.6 Financial position

2.6.1 Finance and liquidity management

The cornerstones of GRAMMER AG's financing consist of two syndicated loans and a bilateral bank loan agreement, as well as several shareholder loans that were agreed in recent years.

In spring 2024, a bilateral credit line of around EUR 200 million with a term of three years was provided by a Chinese bank.

In December 2024, a new financing structure was also finalized, consisting of a syndicated loan from five banks in China amounting to EUR 150 million and a syndicated revolving working

capital credit facility of EUR 80 million from five banks in Germany. The syndicated credit line provided by the German banks can be used either as an overdraft facility or as fixed-rate loans with interest periods of up to six months. Interest is paid at money market rates plus fixed credit margins. A small number of key GRAMMER companies are liable for this through guarantees.

Both financing arrangements provided by China were transacted nominally in RMB and secured by cross-currency swaps in fixed-interest EUR loans. The majority shareholder of GRAMMER AG, the Ningbo Jifeng Group, is liable for these loans.

In addition, GRAMMER received subordinated loans from its majority shareholder Ningbo Jifeng totaling approximately EUR 130.0 million. The remaining terms of the loans are between one and a half and two years as of the reporting date.

Supplementing the syndicated loans, bilateral financing agreements, medium-term promissory note loans, and long-term private placements contribute to GRAMMER's financing. The fundamental intention is to achieve a balanced maturity structure with a diversified portfolio of financing instruments in order to secure liquidity in the long term. Short-term borrowing should be at variable interest rates, and medium- to long-term borrowing should generally be at fixed interest rates with a matching fixed-interest period.

In the event of a change of control in the course of a takeover bid, GRAMMER AG's key financing agreements, particularly the promissory note loans placed in 2015 and 2019, which still have a total value of EUR 48.3 million as of December 31, 2025, may be called in immediately. Under the syndicated loan agreement dated December 12, 2024, involving an amount of EUR 80.0 million, the lenders have rights of termination and repayment in the event of a change of control. These are individually applicable to each separate lender in proportion to their share of the loan. In the event of a change of control, some of

the key customers, suppliers, and other cooperation partners also have the right to terminate their contractual agreements with the company prematurely.

The management of liquidity in operating business and the adequate securing of external funds are controlled centrally by the Group Finance department, unless restricted by country-specific legal regulations. In coordination with local companies, the Group's finance department handles payment transactions and the administration of established cash pools worldwide. In this way, GRAMMER AG monitors and secures the liquidity of its subsidiaries to the extent that this is permissible and reasonable within the scope of what is legally and financially possible. The management of financial risks centrally hedges interest rate and currency risks using standard derivative financial instruments.

The lower use of overdraft facilities and the new financing structure had a positive effect on short-term financial liabilities, which fell to EUR 43.4 million (December 31, 2024: EUR 66.1 million). Long-term financial liabilities also decreased to EUR 375.3 million (December 31, 2024: EUR 409.5 million) due to the new credit lines, of which a credit line of EUR 80.0 million has not yet been utilized in terms of liquidity. As a result, total financial liabilities amounted to EUR 418.7 million (December 31, 2024: EUR 475.6 million), which was below the previous year's level. In addition, GRAMMER has financial liabilities amounting to EUR 136.0 million (December 31, 2024: EUR 130 million) for subordinated loans from the main shareholder.

Cash flow from continuing operations increased by EUR 84.9 million to EUR 147.5 million (previous year: EUR 62.6 million), due mainly to the positive earnings before taxes. In the 2025 financial year, cash flow from continuing investing activities increased to EUR 108.4 million (previous year: EUR 81.5 million), largely as a result of the payment made in connection with the acquisition of the European business of the Ningbo Jifeng Group. Capital expenditure on property, plant, and equipment remained in

line with the previous year at EUR 62.2 million (previous year: EUR 61.9 million).

Financing activities from continuing operations resulted in a cash outflow of EUR 112.1 million in the 2025 financial year (previous year: cash inflow of EUR 187.6 million). Cash outflows in 2025 comprised mainly repayments upon maturity and interest payments. Against this backdrop, the GRAMMER Group had cash and cash equivalents of EUR 152.7 million as of December 31, 2025 (December 31, 2024: EUR 219.8 million). Of this amount, EUR -3.8 million (December 31, 2024: EUR -3.4 million) is to be deducted for overdraft facilities utilized. This results in cash and cash equivalents of EUR 149.0 million as of December 31, 2025 (December 31, 2024: EUR 216.5 million). The Executive Board therefore believes that the GRAMMER Group's liquidity is secure even amid a difficult economic environment.

2.6.2 Capital structure

As of December 31, 2025, the company's share capital amounted to EUR 39,009,080.32, as on the previous year's reporting date, divided into 15,237,922 shares with a calculated par value of EUR 2.56 per share. All shares (except own shares) confer the same rights. Shareholders are entitled to receive the approved dividends and have one vote per share at the Annual General Meeting. By resolution of the Annual General Meeting on June 23, 2021, the Executive Board was authorized to increase the company's share capital by June 22, 2026, with the approval of the Supervisory Board, by issuing new no-par-value bearer shares in exchange for cash and/or non-cash contributions, on one or more occasions, but by a maximum total of EUR 19,504,537.60 (2021 authorized capital). In principle, shareholders are to be granted subscription rights; statutory subscription rights may also be granted in such a way that the new shares are taken up by one or more banks or equivalent companies pursuant to Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation to offer them to shareholders for subscription. The Executive Board was authorized to exclude shareholders' subscription rights in certain cases

with the approval of the Supervisory Board. The Executive Board of GRAMMER AG did not make use of the 2021 authorized capital in the 2025 financial year. As of December 31, 2025, authorized capital remained unchanged at EUR 19,504,537.60. The GRAMMER AG Annual General Meeting did not authorize the issuance of warrants and/or convertible bonds and did not create any new contingent capital in the 2025 financial year. As of December 31, 2025, capital reserves amounted to EUR 162,947 thousand (December 31, 2024: EUR 162,947 thousand) and included the respective premium from the capital increases in the 1996, 2001, 2011, 2017, and 2020 financial years, less costs incurred. As of December 31, 2025, retained earnings amounted to EUR 50,226 thousand (December 31, 2024: EUR 29,420 thousand).

2.6.3 Disclosure of shareholdings in accordance with section 33 of the German Securities Trading Act (WpHG)

Under the German Securities Trading Act (WpHG), any investor who, through acquisition, sale, or other means, reaches, exceeds, or falls below a certain percentage of voting rights in the company must notify the company and the German Federal Financial Supervisory Authority. The lowest notification threshold is 3%. The current status of shareholdings that held at least the 3% threshold on December 31, 2025, is listed in the notes to the consolidated financial statements of the GRAMMER Group.

The current status of shareholdings that exceeded or fell below the 3% threshold in the 2025 financial year or earlier is listed in the notes to the financial statements of GRAMMER AG.

2.6.4 Own shares

There is currently no authorization to acquire own shares. GRAMMER AG holds a total of 330,050 own shares, all of which were acquired in the 2006 financial year. The corresponding share of the share capital amounts to EUR 844,928.00 and remains unchanged at 2.166% (previous year: 2.166%) of the share capital. These 330,050 own shares do not carry voting rights and are not entitled to dividends.

2.6.5 Capital expenditure

Total capital expenditure

Capital expenditure GRAMMER Group

EUR m

	2025	2024 ¹	Change
GRAMMER Group	94.0	96.3	-2.4%
Acquired	67.5	70.6	-4.4%
of which property, plant and equipment	62.2	62.3	-0.2%
of which intangible assets	5.3	8.3	-36.1%
Right-of-use assets (IFRS 16)	26.5	25.7	3.1%

¹Continuing operations

The GRAMMER Group's capital expenditure declined slightly by 2.4% to EUR 94.0 million in the reporting year (previous year: EUR 96.3 million). Of the total capital expenditure, EUR 26.5 million (previous year: EUR 25.7 million) was attributable to assets from rental and leasing agreements that were capitalized in accordance with IFRS 16. This included mainly leasing costs for the new production building in Tupelo (EUR 11.4 million) and for the extension of lease agreements for plants in China. Capital expenditure excluding capitalized assets from rental and leasing agreements in accordance with IFRS 16 amounted to EUR 67.5 million in the 2025 financial year, down EUR 2.9 million from the previous year's figure of EUR 70.6 million. Capital expenditure on property, plant, and equipment totaled EUR 62.2 million in the 2025 financial year (previous year: EUR 62.3 million).

In EMEA, capital expenditure amounted to EUR 29.8 million, down from the previous year (previous year: EUR 34.6 million). It was attributable mainly to numerous new start-ups in the Automotive product area, the further expansion of the injection molding area, replacement investments, and capital expenditure on next-generation products in the Commercial Vehicles product area.

Capital expenditure in APAC fell by 24.8% year on year to EUR 29.1 million (previous year: EUR 38.7 million). This primarily involved capital expenditure for the plants in Changzhou, Changchun, Shenyang, and Beijing. At EUR 9.8 million, the proportion represented by leasing fell by EUR 7.7 million versus the previous year, due mainly to a lower number of leasing contracts for buildings compared with 2024.

Capital expenditure in AMERICAS from continuing operations increased by EUR 15.2 million to EUR 26.7 million (previous year: EUR 11.5 million), of which EUR 12.1 million was capital expenditure capitalized in accordance with IFRS 16. The largest share of capital expenditure was attributable to the Tupelo plant, mainly due to start-up costs for a console and headrest project (EUR 18.8 million, of which EUR 11.4 million was capitalized in accordance with IFRS 16). The remainder was attributable mainly to the Querétaro plant in Mexico.

Capital expenditure in Central Services fell by 27.0% to EUR 8.4 million (previous year: EUR 11.5 million). Of this amount, EUR 1.1 million (previous year: EUR 1.0 million) related to the continuation of the Product Life Cycle Management digitization project and EUR 4.0 million (previous year: EUR 7.4 million) to other capitalized development costs. As in previous years, these mainly involved the long-term development of next-generation seats for the Commercial Vehicles product area.

Capital expenditure EMEA

EUR m

	2025	2024	Change
EMEA	29.8	34.6	-13.9%
Acquired	26.6	30.1	-11.6%
of which property, plant and equipment	26.3	29.9	-12.0%
of which intangible assets	0.3	0.2	50.0%
Right-of-use assets (IFRS 16)	3.2	4.5	-28.9%

Capital expenditure AMERICAS¹

EUR m

	2025	2024	Change
AMERICAS	26.7	11.5	132.2%
Acquired	14.6	9.1	60.4%
of which property, plant and equipment	14.6	9.1	60.4%
of which intangible assets	0.0	0.0	0.0%
Right-of-use assets (IFRS 16)	12.1	2.4	404.2%

¹Continuing operations

Capital expenditure APAC

EUR m

	2025	2024	Change
APAC	29.1	38.7	-24.8%
Acquired	19.3	21.2	-9.0%
of which property, plant and equipment	19.2	21.1	-9.0%
of which intangible assets	0.1	0.1	0.0%
Right-of-use assets (IFRS 16)	9.8	17.5	-44.0%

Capital expenditure Central Services

EUR m

	2025	2024	Change
Central Services	8.4	11.5	-27.0%
Acquired	7.0	10.2	-31.4%
of which property, plant and equipment	2.1	2.2	-4.5%
of which intangible assets	4.9	8.0	-38.8%
Right-of-use assets (IFRS 16)	1.4	1.3	7.7%

2.7 Net assets

Condensed balance sheet of the GRAMMER Group

EUR k			
	Dec. 31, 2025	Dec. 31, 2024	Change
Non-current assets	927,361	927,166	195
Current assets	679,865	772,409	-92,544
Assets	1,607,226	1,699,575	-92,349
Equity	278,605	266,924	11,681
Non-current liabilities	721,941	764,928	-42,987
Current liabilities	606,680	667,723	-61,043
Equity and liabilities	1,607,226	1,699,575	-92,349

As of December 31, 2025, the GRAMMER Group's total assets amounted to EUR 1,607.2 million, down EUR 92.4 million or 5.4% on the figure of EUR 1,699.6 million as of December 31, 2024.

Non-current assets comprise mainly property, plant, and equipment, intangible assets, other non-current financial assets, and non-current assets from customer contracts. As of December 31, 2025, non-current assets amounted to EUR 927.4 million, which was on par with the previous year (December 31, 2024: EUR 927.2 million). Non-current financial assets increased due mainly to further capital expenditure in the car seat business. Other non-current assets amounting to EUR 72.4 million (December 31, 2024: EUR 67.9 million) include EUR 40.1 million in nomination fees, which decreased slightly by EUR 2.0 million compared with the previous year's reporting date (December 31, 2024: EUR 42.1 million).

Current assets declined by 12.0% or EUR 92.5 million to EUR 679.9 million (December 31, 2024: EUR 772.4 million). Current trade receivables decreased by 13.6% to EUR 222.4 million (December 31, 2024: EUR 257.4 million), which was attributable mainly to the decline in revenue and improvements in receivables management. Cash and cash equivalents and short-term deposits decreased significantly by 30.5% to EUR 152.7 million as of December 31, 2025 (December 31, 2024: EUR 219.8 million). The main reasons for the reduction were scheduled loan repayments and the payment for the JAI acquisition. Inventories decreased by EUR 7.8 million to EUR 164.6 million (December 31, 2024: EUR 172.4 million) due to the decline in business volume, while other current assets increased by 43.7% to EUR 72.0 million (December 31, 2024: EUR 50.1 million) due to customer compensation and increased tax receivables.

Equity increased slightly by EUR 11.7 million or 4.4% to EUR 278.6 million as of December 31, 2025 (December 31, 2024: EUR 266.9 million). The change was due to the positive earnings after taxes of EUR 23.5 million and the development of other comprehensive income.

Other comprehensive income amounted to EUR -66.4 million in the reporting period (previous year: EUR -57.7 million). The change compared with the previous year's reporting date was attributable primarily to currency translation effects from foreign subsidiaries amounting to EUR -14.2 million (previous year: EUR -6.0 million), effects from the change in the pension interest rate amounting to EUR 8.6 million (previous year: EUR 3.3 million) and cash flow hedges amounting to EUR 6.6 million (previous year: EUR -3.3 million), net investments in foreign operations amounting to EUR -10.8 million (previous year: EUR 1.6 million), and from the valuation of financial assets amounting to EUR 1.2 million (previous year: EUR 1.4 million). The equity ratio increased to 17.3% (December 31, 2024: 15.7%) due to the decline in total assets and the increase in equity.

On the liabilities side, non-current liabilities amounted to EUR 721.9 million (December 31, 2024: EUR 764.9 million), down EUR 43.0 million on the previous year. In particular, long-term financial liabilities decreased by EUR 34.2 million to EUR 375.3 million (December 31, 2024: EUR 409.5 million) as a result of reclassifications to non-current financial liabilities due to maturities. Pensions and similar obligations also decreased by EUR 12.2 million to EUR 105.3 million (December 31, 2024: EUR 117.5 million) due to the increase in the discount rate from 3.5% as of December 31, 2024, to 4.3% as of December 31, 2025, as well as payments of pension obligations amounting to EUR 7.5 million (previous year: EUR 6.7 million). Other non-current financial liabilities, however, increased by EUR 11.1 million to EUR 190.4 million (December 31, 2024: EUR 179.3 million), due mainly to a new long-term building lease agreement in the AMERICAS region. After offsetting, deferred tax liabilities remained in line with the previous year at EUR 36.6 million (December 31, 2024: EUR 37.6 million), while non-current provisions decreased by EUR 5.7 million (December 31, 2024: EUR 15.8 million) to EUR 10.1 million due to the reversal of restructuring provisions. As of December 31, 2025, the Group had undrawn credit lines amounting to EUR 106.2 million (December 31, 2024: EUR 84.4 million), for which all necessary conditions for utilization had already been met.

Current liabilities decreased by EUR 61.0 million or 9.1% to EUR 606.7 million (December 31, 2024: EUR 667.7 million). In particular, non-current financial liabilities fell by EUR 22.7 million to EUR 43.4 million (December 31, 2024: EUR 66.1 million) due to scheduled maturities. Current trade payables decreased by EUR 37.2 million to EUR 364.6 million (December 31, 2024: EUR 401.8 million). The reason for this was lower revenue.

3. Opportunity and risk report

3.1 Basic principles of the internal control and risk management system

Overall responsibility for the internal control and risk management system lies with the Executive Board of GRAMMER AG, which designs the scope and orientation of the systems in place based on specific requirements within the GRAMMER Group.

GRAMMER's risk policy reflects its commitment to sustainable business practices and to increasing shareholder value while managing appropriate risks and opportunities and avoiding inappropriate risks. Due to its business activities, international orientation, and the nature of the industry in which it operates, GRAMMER AG and its subsidiaries are exposed to risks that must be hedged. The risk strategy therefore sets out the following risk policy principles, among others:

- In terms of risk management, GRAMMER defines risks and opportunities as both internal and external events that may have a positive or negative impact on the achievement of corporate goals.
- Risk management thus contributes to value-oriented corporate management. Value-oriented means that GRAMMER consciously takes risks and seizes opportunities only if it can increase the value of the company by exploiting favorable business opportunities. Risks that are associated with the GRAMMER Group's business activities but could potentially jeopardize its continued existence are generally avoided.
- GRAMMER bears core business risks itself, particularly market risks, such as those arising from economic developments, as well as risks that may arise from the development of new products, insofar as these are not covered by insurance. The company aims to transfer other risks (outside core business risks) to third parties wherever possible. This concerns primarily financial and liability risks.

- Risk management within the GRAMMER Group encompasses all companies and organizational units. GRAMMER management considers identifying risks and initiating mitigating measures to be an ongoing shared responsibility. All employees of the company are required to identify risks in their areas of responsibility and to avoid or minimize them as far as possible.
- At regular intervals, GRAMMER's internal audit department or an external service provider reviews the adequacy and effectiveness of the risk management system.

In addition to risk management, GRAMMER AG's central group audit department is integrated into the GRAMMER Group's internal monitoring system with non-process-dependent auditing activities. With regard to the internal control system, the following structures and processes are implemented at GRAMMER:

All strategic business areas are integrated via a clearly defined management and reporting structure. The principles, structural and procedural organization, and processes of the internal control and risk management system are laid down in guidelines and organizational instructions, which are regularly adapted to current internal and external developments. GRAMMER regards as material those features of the internal control and risk management system that could have a significant impact on the accounting and overall presentation of the annual and consolidated financial statements, including the combined management report, or that could have a significant impact on the company's operating processes. These include the following elements in particular:

- Identification of the key risk and control areas relevant to the accounting process and to the company's operational processes.
- Monitoring of accounting processes / operational business processes and results at the level of the Executive Board and at the level of the product areas or responsible departments.
- Regular and preventive control measures in finance and accounting as well as in operational, performance-related

business processes that generate material information for the preparation of the annual and consolidated financial statements, including the combined management report, including a separation of functions and defined approval processes in relevant areas.

- Measures that ensure the proper IT-supported processing of accounting-related matters and data.
- Measures for monitoring the internal control and risk management system.

The Group Chief Financial Officer (CFO) is responsible for the continuous improvement and assessment of the adequacy and effectiveness of the risk management system of GRAMMER AG and the GRAMMER Group in cooperation with the Group Risk Manager. The CFO is supported in this by the Group Risk Committee, which consists of the CFO and members of the Group Risk Management Team. The Group Chief Executive Officer (CEO), in collaboration with the Director of Internal Audit & Internal Controls, is responsible for the internal control system. Regular monthly meetings are held with the management for this purpose.

The results of the design and monitoring activities are reported regularly and as required at Executive Board meetings in order to evaluate the risk situation at company level. The Director of Internal Audit & Internal Controls and the Group Risk Manager support the Executive Board in implementing and monitoring the internal control and risk management system and in reporting to the Audit Committee and the Supervisory Board.

The Executive Board of GRAMMER AG is not aware of any material or systemic issues that would compromise the adequacy and effectiveness of the internal control and risk management system as a whole.

3.2 Opportunity and risk management process

GRAMMER has established a uniform, Group-wide risk management system in order to identify, avoid, or at least minimize risks in a timely manner and to analyze and assess their causes. The risk management process enables the early identification of risks, their analysis and assessment, the coordinated use of appropriate instruments to manage risks, and risk monitoring and control. It also includes, in particular, the early detection of existential risks to the company. The risk management system governs the identification, recording, assessment, documentation, and reporting of risks, but also of opportunities.

The Executive Board is responsible for the internal control and risk management system, while the Supervisory Board and Audit Committee monitor and review the effectiveness of the systems and are kept informed on a regular basis.

As part of an ongoing assessment process, material risks that could jeopardize the achievement of corporate goals are reported to central risk management. Responsibility for risk reporting does not lie with a central department at GRAMMER AG, but is among the assignments allocated to decentralized risk managers. These are the regional CFOs and the heads of the central functions. Risks and opportunities, as well as risk management measures, are discussed in regular management meetings with the Executive Board. A risk and opportunity report regularly informs both the Executive Board and the Supervisory Board about the Group's risk situation and the status of the measures that have been initiated. The coordination of risk management is the responsibility of the Group Tax department, which also includes the Risk Management Team.

The risks and opportunities are recorded in a risk management tool based on SAP BusinessObjects. This gives GRAMMER an overview of the material risks and opportunities for the Group based on a net assessment. The net risks and opportunities are identified by taking existing and effective measures into

account and deducting the corresponding items from the budget, forecast, or consolidated financial statements (e.g., in the form of a provision). Risks and opportunities are consolidated using categories tailored specifically to the GRAMMER Group, which form what is known as the risk atlas. In addition to strategic risks, it also covers market, financial, and legal risks, as well as risks in the areas of ESG, IT, human resources, quality, and procurement. Opportunity management at the GRAMMER Group aims not only to identify opportunities, but also to capitalize on them in the best possible way.

3.3 Key features of the accounting-related internal control and risk management system in accordance with Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB)

As a publicly traded parent company as defined in Section 264d of the HGB, GRAMMER AG is required under Section 289 (4) and Section 315 (4) of the HGB to describe the material features of its internal control and risk management system with regard to the accounting process. However, the internal control and risk management system with regard to the accounting process is not defined by law. GRAMMER regards the accounting-related internal control and risk management system as a comprehensive system and bases its approach on the definition of Institut der Wirtschaftsprüfer in Deutschland e. V. (Institute of Public Auditors in Germany), Düsseldorf, for accounting-related internal control systems and risk management systems. An accounting-related internal control system is therefore understood to mean the principles, procedures, and measures introduced by management in the company that are aimed at the organizational implementation of management decisions for the following purposes:

- ensuring the effectiveness and efficiency of business activities (this also includes the protection of assets, including the prevention and detection of financial losses)
- maintaining the regularity and reliability of internal and external accounting

- complying with the statutory regulations applicable to the company.

As described above, the risk management system comprises all organizational regulations and measures for identifying and managing the risks associated with business activities, as well as the elements described in section 3.1.

3.4 Compliance management system

Compliance, meaning adherence to laws and internal guidelines, forms the basis of GRAMMER's business activities. Compliance not only prevents financial risks associated with reputational damage, but also promotes integrity, transparency, and responsible conduct, thereby shaping how people work and interact with one another. With GRAMMER's compliance management system (CMS), the Executive Board pursues the following objectives under monitoring by the Supervisory Board:

- Preventing and detecting violations of applicable law and internal company regulations, as well as the potential resulting damage (financial losses / damage to reputation).
- Reducing liability and reputational risks for GRAMMER AG, the members of its corporate bodies, and its employees.
- Improving compliance awareness and conduct among employees.

As an interdepartmental issue, compliance affects all areas and functions at GRAMMER. Compliance measures are not implemented in isolation, but are integrated into administrative and operational processes. The structure of GRAMMER's CMS is essentially based on the IDW PS 980 and ISO 37301 standards for compliance management systems. The seven-element structure of the CMS according to IDW PS 980 provides the systematic framework for compliance assignments:

CMS elements	Description
1. Compliance culture	The compliance culture is the basis for the appropriateness and effectiveness of the CMS. It is shaped chiefly by the attitude and conduct of the management and the role of the supervisory body (“tone at / from the top”). The culture affects how important the Company’s employees believe it is to comply with the rules and thus their willingness to do so.
2. Compliance goals	Based on the general corporate objectives and an analysis and weighting of key Company rules, the legal representatives establish goals that the CMS is helping to achieve. In particular, this involves determining the relevant sub-areas and the rules to be observed in the individual sub-areas. The compliance goals serve as the basis for assessing compliance risks.
3. Compliance organization	The management determines the roles and responsibilities and operational and organizational structure in the CMS as an integral part of the company organization and provides the resources required for an effective CMS.
4. Compliance risks	Taking account of the compliance goals, compliance risks are identified that could result in rule violations and thus mean that the compliance goals are not met. A process for systematically identifying and reporting risks is established for this purpose. The risks detected are analyzed in terms of how likely they are to occur and the potential impact they may have. This risk analysis is updated regularly and as required.
5. Compliance program	Based on the compliance risk assessment, principles and measures are established that are designed to limit compliance risks and thus avoid compliance breaches. The compliance program also comprises the measures to be taken if compliance violations are found. The compliance program is documented to ensure that the CMS function is not dependent on a certain individual.
6. Compliance communication	Employees and any third parties affected are informed about the compliance program and the assigned roles and responsibilities so that they have a sufficient understanding of their tasks in the CMS and can perform these properly. The Company regulates how compliance risks and information about potential or detected breaches of the rules are to be reported to the responsible body in the Company (e.g. legal representatives and, if necessary, the supervisory body).
7. Compliance-monitoring and improvement	The appropriateness and effectiveness of the CMS are suitably monitored. Monitoring requires that the CMS is sufficiently documented. If the monitoring discovers weaknesses in the CMS or breaches of the rules, these are reported to the management or the designated Company body. The legal representatives ensure that the CMS is implemented, faults are rectified and that the system is improved.

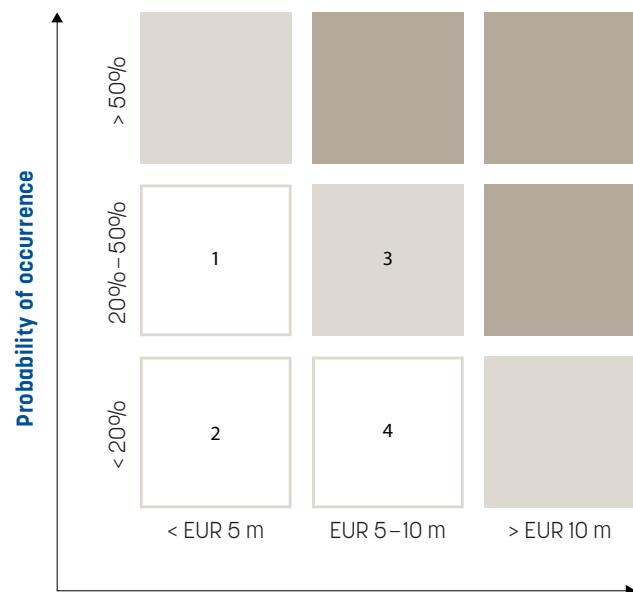
At the time of reporting, there are no indications in any material respects that would suggest that the CMS is wholly inappropriate or ineffective.

3.5 Risks

Presentation of material risk areas

The following description of risks covers the respective measures for risk mitigation (net assessment). This lists the respective risk potential for the individual risk categories mentioned.

Overview of key risk areas



Loss potential (net risk)

- | | |
|--------------------------------|------------------------|
| 1 • Market risks | 3 • Financial risks |
| 2 • Legal and compliance risks | • Procurement risks |
| • Personnel risks | 4 • Geopolitical risks |
| • Quality risks | |
| • ESG risks | |
| • Cyber and information risks | |

The following sections describe and explain risks that could, in some cases, have a significant adverse effect on the business outlook, net assets, financial position, and results of operations of the company or the Group, as well as on the share price or market reputation. Additional risks that GRAMMER currently considers to be minor or whose impact is not yet known to the company may also have a negative impact on business activities. The assessment of the risks listed applies at least to the current 2026 financial year. As an essential aspect of risk management, efforts are made to identify and minimize at an early stage any risks that could jeopardize the continued existence of the company and to recognize them accordingly in the balance sheet.

Procurement risks

The supply situation in 2025 continued to be influenced by geopolitical risks, which are also forecast for 2026. These include, above all, international trade tensions, particularly between China, the EU countries, and the US, as well as ongoing military conflicts and political instability. In addition, the risk of insolvency remained high, particularly among German and European suppliers, and will continue to exist in the coming years.

This may have a negative impact on the net assets, financial position, and results of operations of the company or the Group. These risks in the supplier base continue to require regular review of procurement strategies and an agile supplier base.

The price trend for raw materials such as steel and plastics stabilized further in 2025 compared with the extreme price peaks. For 2026, raw material prices for steel and plastics are expected to remain at 2025 levels. In 2026, prices for almost all intermediate products (e.g., crude oil, naphtha, benzene, paraxylene) are low in all regions and are expected to trend sideways. Suppliers could close plants due to low demand, which could trigger an upward trend in prices.

Logistics costs, particularly in the area of sea freight, have stabilized at an elevated price level. Prices reflect ongoing

capacity constraints and the tense situation on trade routes, such as the diversion around the Suez Canal. In addition, environmental regulations and CO₂ emissions figures will increase the cost of sea freight in the long term.

The supply situation for electricity and gas continued to improve compared with previous years. The electricity and gas supply is secure, and no shortages are expected.

A moderate price increase is forecast for gas, as demand is stabilizing at a steady level due to the easing of crisis measures. Nevertheless, unforeseen changes in energy prices cannot be ruled out, particularly due to geopolitical tensions and changing situations in connection with military conflicts, which could have a negative impact on the net assets, financial position, and results of operations of the company or the Group. Furthermore, the government's influence on pricing has declined significantly, particularly in Europe, although it is still present.

The risk of insolvency remained high in 2025, particularly in Germany. Analysts predict that corporate insolvencies will rise to their highest level since 2015. In the automotive industry, this is due primarily to a global decline in volume, rising financing costs, and structural challenges. A sharp focus on monitoring the financial stability of suppliers therefore remains essential in order to identify risks of supply disruption at an early stage and to initiate measures to secure deliveries.

To meet the challenges described above, the GRAMMER procurement team is continuing to work on moving forward with important strategic measures, such as:

- streamlining the supplier base to consolidate volume and reduce the risk of insolvency,
- improving GRAMMER's competitiveness by increasing the proportion of components manufactured locally in China,
- accelerating value analysis / value engineering activities,

- long-term contracts and price adjustment clauses, which are used wherever possible to minimize planning and cost risks due to price fluctuations, particularly for raw materials such as steel and petrochemical foam and plastic products,
- as well as through cost control and data quality.

Quality risks

GRAMMER considers it extremely important to maintain high external and internal quality standards and to identify and avoid potential error sources at an early stage. Nevertheless, the possibility of quality risks occurring cannot be completely ruled out. This applies in particular to the development of products with complex manufacturing structures. This may also give rise to reputational risks in connection with inadequate product safety. A global orientation and interdependencies in manufacturing across continents, as well as the associated need for coordination between the units involved, inevitably increase this risk. Non-compliance with quality standards may lead to customers asserting warranty claims against GRAMMER. This would have a negative impact on the net assets, financial position, and results of operations of the company and the Group.

In order to eliminate such risks in advance, GRAMMER has established appropriate programs of measures throughout the Group and in the supply chain to achieve safe and silent launches, thereby laying the foundation for mature and robust products and processes. To achieve this goal, a direct interface with all quality-related pre-production and series production processes was created in the Advanced Quality department, as well as a link to all involved and important departments. The consistent application of relevant standards and specifications, as well as internal processes, rules, and regulations, ensures that available resources are used efficiently and effectively, enabling risks,

weaknesses, and problems to be identified at an early stage and used as a basis for developing products and processes.

An important element of these processes lies in GRAMMER's supply chain. Supplier launch readiness processes are used to work with suppliers to achieve safe and smooth market launches, thereby laying the foundation for mature and robust products and production processes in the series production phase. This ensures that risks are identified at an early stage and, based on this, processes are developed at the supplier's end to achieve the joint silent launch goal. Through consistent market observation, experience gained from warranties, practical product validation, and secure processes, the focus is shifted from reacting to preventively avoiding warranty claims and the associated expenses.

In the area of O km failures, the central quality department works hand in hand with the plants and supports customer communication and the achievement of customer satisfaction in all phases. This is made possible by situation-dependent monitoring/reporting of critical products/systems and an overview of customer satisfaction in the individual product segments and areas. A central communication platform between the plants is used for this purpose to ensure interregional information-sharing. In the warranty process, the central quality department develops the standards, supports the plants in their implementation, and monitors the handling of all cases and year-end settlements in order to access all information and improve processes in the long term.

Integrated quality management (QM) is crucial to the long-term success of the company. By implementing effective QM strategies, the organization can not only increase customer satisfaction, but also improve efficiency and competitiveness.

The following management systems are successfully integrated and used on a daily basis at GRAMMER:

- ISO 9001 – Quality management system applicable in all industries
- IATF 16949 – Quality management system for the automotive industry
- ISO TS 22163 – Quality management system for the rail industry
- TISAX – Information security management system for the automotive industry
- ISO 45001 – Occupational health and safety
- ISO 14001 – Environmental management system
- ISO 50001 – Energy management system

These standards/certifications are mandatory requirements demanded by customers and are regularly reviewed by them and validated annually by the central quality department and an external certification company to ensure their effectiveness and efficiency.

Market risks

As a company that operates globally, the GRAMMER Group continues to be highly dependent on developments in national and international markets. Despite the global economy having stabilized slightly, the overall economic environment remains characterized by increased uncertainty and regionally divergent developments. International organizations such as the OECD and IMF expect moderate global growth in 2026, but this will continue to be hampered by geopolitical tensions, structural growth differences, and political and economic uncertainties. Geopolitical risks, particularly in connection with international conflicts, trade policy measures, and industrial policy interventions by individual governments, continue to exist. Although uncertainty surrounding trade tariffs has eased compared with the previous year,

renewed protectionist measures or sectoral interventions could still have a negative impact on the global automotive and commercial vehicle market. Furthermore, inflation remains above central bank targets in numerous markets, which could lead to persistently high interest rates and weigh on capital expenditure and consumer demand.

The global automotive market is expected to stabilize at a modest level by historical standards in 2026. Demand remains uneven across regions. In Europe, car manufacturers and suppliers continue to face pressure from structural overcapacity, high transformation costs, as well as cautious consumer and investor sentiment overall. Adjustments to OEM production networks that have been announced or have already been implemented may have a negative impact on call-off volumes and capacity utilization at suppliers. In addition, regulatory requirements, particularly those relating to CO₂ targets and sustainability requirements, are increasing cost structures and hampering competitiveness. Uncertainty continues to be the dominant feature of market development in the AMERICAS region. While the US market is comparatively resilient, persistently high interest rates and economic policy measures could dampen consumer demand and willingness to invest. Trade and industrial policy measures may also affect cross-border goods traffic within North America and make planning more difficult for multinational suppliers. China remains a strategically important market for the GRAMMER Group. At the same time, competition is intensifying there, from both local and new OEMs, which are increasingly gaining market share and also expanding internationally. This is increasing price and innovation pressure on established manufacturers and their suppliers. In addition, uncertainties remain in the regulatory environment, particularly in connection with subsidies for and the nature of electric vehicles, which makes it difficult to plan programs and capital expenditure.

Overall, GRAMMER is operating in an increasingly competitive environment characterized by high price pressure, short development and launch times, and increasingly challenging demands on quality, costs, and flexibility. The strong dependence on global markets with varying economic and demand cycles requires continuous monitoring and evaluation of a multitude of external factors. In addition, new competitors, particularly from emerging markets, are increasingly entering the relevant markets, further intensifying the competitive situation. The transformation of the automotive industry toward electric vehicles and, in the future, autonomous driving is giving rise to additional market risks. Technological changes may lead to shifts in customer, product, and demand structures, the extent and timing of which are difficult to predict. Although the GRAMMER Group is continuously expanding its customer portfolio to include new market participants, there is a risk that individual OEMs or technologies may not prove viable in the market in the long term. This may have a negative impact on the net assets, financial position, and results of operations of the company or the Group. In addition, consolidation processes at OEMs or brands may lead to greater dependence on individual major customers. At the same time, cost pressure from vehicle manufacturers on the supplier industry continues to rise as a result of the financial impacts resulting from the process of industrial transformation. This market environment may give rise to risks due to a lack of follow-up orders or reduced volumes. The GRAMMER Group is countering this by systematically executing its strategic focus on innovation, a customer-centric approach, increased efficiency, and sustainability.

Supply contracts, particularly those agreed with the GRAMMER Group's key customers, contain legally binding commitments to deliver specific products, which in most cases are still to be developed, within a specified period. However, these commitments do not relate to the exclusive purchase of a specific product from

companies belonging to the GRAMMER Group. The specific products and delivery quantities are ordered in separate call-offs, which may be shorter in duration but represent a clear commitment to purchase. From a purely legal perspective, the GRAMMER Group's key customers are, in principle, in a position to withdraw even large orders or product volumes from GRAMMER in the medium term. This would have a negative impact on the net assets, financial position, and results of operations of the company and the Group. However, since withdrawing orders in ongoing series production involves considerable effort and expense for customers and requires a considerable lead time, it is somewhat unlikely that a customer would withdraw an entire set of orders at once.

Due to the ongoing adjustment and optimization of the cost structures for production and development capacities as well as vertical integration, there is a general risk that, for example, the consolidation and closure of locations could have a negative impact on the net assets, financial position, and results of operations of the company or the Group. There is also a risk that such measures may not always be implemented within the planned time frame. Furthermore, due to the complexity and intricacy of such processes, delays and additional financial impacts may arise, or the benefits of these processes may turn out to be less than originally planned or anticipated. Finally, risks arise from strategic portfolio policy and from possible mergers and acquisitions. These relate in particular to the integration of organizations, processes, technologies, and corporate cultures, as well as potential costs that cannot be fully estimated in advance. In addition, as a company that operates globally, the GRAMMER Group is subject to increasingly variable regulations. Changes in laws, guidelines, and technical requirements may lead to additional burdens that could have a negative impact on the net assets, financial position, and results of operations of the company or the Group.

ESG risks

GRAMMER operates an environmental management system in accordance with ISO 14001 and an energy management system in accordance with ISO 50001. The GRAMMER Group's management system covers all requirements of both systems, compliance with which is confirmed by regular external certifications. The Group Quality & HSE function is responsible for the GRAMMER Group's entire integrated management system and develops the strategic framework for the Group. The environmental and energy officers at the various locations are responsible for implementing the defined measures. The implementation of management systems is accompanied by a continuous annual improvement process.

The Group continuously monitors climate-related risks, particularly those relating to carbon emissions, and is working to reduce them. Compliance with environmental standards and the implementation of climate change mitigation measures as part of a group-wide climate strategy are becoming increasingly relevant factors in the sourcing processes of most customers and therefore represent a medium to long-term revenue risk.

Inadequate adaptation measures and impending climate impacts pose the risk of jeopardizing economic, social, and environmental foundations, which could have a negative impact on the Group's net assets, financial position, and results of operations. These impacts may arise, for example, from higher costs of capital expenditure and modernization in production or from stricter government regulations. In addition, limited reusability or insufficient recycling options for the materials used may lead to rising raw material costs due to the scarcity of non-renewable resources. Increased waste volumes resulting from inadequate disposal methods on the part of suppliers or the Group's own operations may lead to higher costs due to fines for improper waste disposal.

Increasingly demanding customer requirements regarding sustainability performance and the areas of environment, social, and governance (ESG) – such as the implementation of the Corporate Sustainability Reporting Directive (CSRD) or due diligence obligations under the German Supply Chain Act – may lead to higher costs, which may, for example, be reflected in financing or be associated with potential revenue risks. Failure to comply may result in reputational risks and costs due to fines.

GRAMMER mitigates these risks through its own CSR function and additional organizational measures initiated by risk management, the Chief Compliance Officer, or the Human Rights Officer. The dynamic development of external requirements (customers, legislators) requires a continuous improvement process in order to meet market expectations. The annual double materiality analysis assesses risks and opportunities that are incorporated into the activities of the relevant functional departments.

Nevertheless, due to external circumstances or potential misconduct, it is not possible to rule out the possibility of risks to the Group that could have an adverse effect on the net assets, financial position, and results of operations of the company or the Group.

Cyber and information risks

The security, protection, and integrity of data and IT infrastructure are essential for maintaining proper business operations. Business continuity management, statutory regulations, and customer requirements necessitate technical and organizational measures to protect IT systems and information and to ensure highly available and secure data lines. To ensure IT security, a Group-wide IT security organization has been set up and assigned the task of ensuring the effectiveness of protective measures and countering any threats. To meet these require-

ments, GRAMMER has installed the business-critical components of its IT infrastructure in data centers with built-in redundancy, the supply of power to which is ensured even in emergencies by separate backup power systems. In addition, the various requirements for information security, data transmission quality, and data management have been taken into account in the use of external network services, such as external cloud services. For example, cloud providers must ensure the integrity and availability of data, as well as protection against unauthorized access. All GRAMMER locations are linked to the data centers via redundant connections. The restoration of business-critical IT systems is documented in emergency plans. In addition, GRAMMER has established organizational structures such as crisis management and business continuity management to minimize the negative impact on the company or the Group in the event of a cyber attack. Business continuity management ensures that business operations are not interrupted or, after an interruption, can be resumed at a defined minimum level within a reasonable period of time. Crisis management ensures that, in the event of a cyber attack, a rapid response can be carried out and measures can be implemented as quickly as possible. The effectiveness of emergency plans, crisis management, and business continuity management are regularly validated in crisis simulations. GRAMMER protects itself with appropriate security systems and has taken measures to ward off external attacks. Firewalls, virus scanners, and other implemented protective measures are regularly checked for effectiveness and adjusted if necessary. Nevertheless, due to global activities and the general increase in threats and attacks, it is not possible to rule out the possibility that GRAMMER's systems, networks, data, and solutions may be compromised. However, negative impacts on the net assets, financial position, and results of operations of the company or the Group due to data loss, system malfunctions and production downtime, faulty

data transmission, etc. are considered unlikely. Despite this, they may still pose a risk to the net assets, financial position, and results of operations of the company or the Group. Risks arising from fraud or cyber attacks are defined as the danger of damage occurring as a result of the failure of internal procedures (control risks), human actions (personnel risks), or weaknesses in systems (especially IT systems). Increasing digitalization and electronic networking through developments in the electronic age, such as the Internet of Things, Industry 4.0, and Smart Everything, offer cybercriminals a significantly larger target and wide-ranging opportunities to spy on information, sabotage business and administrative processes, or otherwise enrich themselves through criminal means at the expense of third parties. Cyber attacks, including those involving malicious software or targeted attacks on employees (e.g., attempts at deception), may pose risks to the net assets, financial position, and results of operations of the company or the Group. The company counteracts these risks by analyzing known loss events, implementing appropriate countermeasures, and determining specific recommendations for action with regard to such activities. In addition, assessments on these topics are carried out regularly and all relevant processes are checked for possible security loopholes and optimized accordingly. In addition, employees are given regular and specific information and awareness-raising materials.

Personnel risks

Competition for a diverse and highly qualified workforce, such as skilled workers, executives, experts, and talented individuals, remains very intense in the industries and regions in which GRAMMER operates. The future success of the GRAMMER Group also depends on its ability to recruit highly skilled employees, integrate them into the company, and retain them in the long term. This seems particularly relevant in times of new, virtual ways of working. Furthermore, GRAMMER recognizes the need to promote diversity, inclusion, and a sense of belonging among its workforce. Against this backdrop, the company is continuing

to develop its approach to collaboration and its leadership culture, promoting career development opportunities for employees and respecting equal opportunities. Despite these efforts, there is a risk that the GRAMMER Group will not be able to secure a sufficient number of skilled employees in every field of activity in the future and retain them in the long term. An increase in costs due to rising wages and social security contributions as a result of competition for skilled employees may pose a risk to the net assets, financial position, and results of operations of the company or the Group.

As a result of open collective bargaining agreements or reorganization and efficiency improvement measures, there is a fundamental risk of labor disputes involving strikes. This could lead to business interruptions, with negative impacts on the net assets, financial position, and results of operations of the company or the Group. The enforcement of union demands may lead to an increase in personnel costs.

Financial risks

Due to its global operations and the risks described in the economic environment, the GRAMMER Group is exposed to interest rate, currency, and liquidity risks. The company mainly encounters currency risks from the Czech koruna, Polish złoty, Mexican peso, US dollar, Turkish lira, and Chinese yuan. They result from both goods and services as well as local production. The GRAMMER Group counters currency risks partly through "natural hedging", i.e., by increasing its purchasing volume in the foreign currency zone while simultaneously increasing sales in the same currency area. In addition, currency risks are selectively hedged on the foreign exchange market. A sharp rise in the value of the euro relative to the currencies of other export-oriented economies could have a negative impact on the competitiveness of the company and the Group. GRAMMER cannot completely avoid fluctuations on interest rate markets. Rising interest rates may lead to cash flow risks associated with changes in interest rates on liabilities with variable interest rates. This may give

rise to risks for the net assets, financial position, and results of operations of the company or the Group. GRAMMER minimizes interest rate risks by raising long-term refinancing funds at fixed interest rates and by using derivatives.

Ensuring sufficient liquidity margins is also of great importance. Therefore, at the end of the 2024 financial year, the previous syndicated loan and smaller bilateral loans were replaced by a new financing structure. This consists of a syndicated loan from five banks in China amounting to EUR 150 million and a syndicated revolving working capital credit facility of EUR 80 million from five banks in Germany. GRAMMER can draw on the syndicated credit line provided by the German banks either as an overdraft facility or as fixed-rate loans with interest periods of up to six months. Back in spring 2024, tranche C of the syndicated loan, involving KfW and amounting to EUR 235 million, was refinanced with a bilateral credit line of EUR 200 million with a term of three years, provided by a Chinese bank. The majority shareholder of GRAMMER AG, the Ningbo Jifeng Group, is liable for the loans taken out by banks in China. In addition, GRAMMER received subordinated loans totaling EUR 130 million from its majority shareholder Ningbo Jifeng. The remaining terms of the aforementioned financing structure range from one and a half to two years.

The liquidity situation is monitored continuously and systematically and recorded on an ongoing basis through global rolling financial requirements planning. Potential risks associated with a change of control are described in the notes on the financial position. The GRAMMER Group's credit obligations include financial covenants requiring compliance with certain standard financial ratios. In the event of non-compliance with these financial covenants, the GRAMMER Group's creditors have a special right of termination, which would entitle them to demand immediate repayment of the loans. Compliance with the financial covenants is reviewed on a quarterly basis.

GRAMMER attaches great importance to increasing its liquidity margins despite the potential disadvantages in terms of interest and interest-related costs, and it maintains a liquidity reserve that it considers appropriate for the company. This results in certain impacts on interest income, which GRAMMER is willing to accept in order to maintain its strategic flexibility and not jeopardize its liquidity position.

The debtor default risks are limited by the customer structure and are monitored through active accounts receivable management. However, corporate insolvencies and financial problems among electric car manufacturers are on the rise. These could lead to electric car manufacturers halting or suspending production and to impairment of customer receivables on the part of GRAMMER. Depending on the duration of the interruption, the planned sales volume, and the outcome of restructuring measures, there may be a risk to the net assets, financial position, and results of operations of the company or the Group. To mitigate this risk, GRAMMER has implemented approval guidelines for new customer projects in the Automotive product area, which also include approvals by the Executive Board. In this case, the loan loss risk is reduced during the project development phase by means of milestone-dependent payment terms.

The uncertainties and risks inherent in the market with regard to interest rate developments may have a significant impact on the funding status of the Group's pension plans. This may result in both an increase and a decrease in the present value of the defined-benefit obligation. Pension obligations are recognized in accordance with actuarial calculations, in which the applicable interest rate plays a significant role. The actual payments to be made may differ from the calculated values, as the assumptions regarding the relevant valuation parameters, such as discount factors, salaries, and inflation, are subject to uncertainty. This may pose a risk to the net assets and financial position of the

company or the Group. The impact on financial performance is limited due to the recognition of changes in actuarial parameters directly in equity.

Interest rate, currency, and liquidity risks are recorded centrally in the Group's Finance department. GRAMMER mitigates the risks described above with the help of strategic treasury management, the effectiveness of which is reviewed on a regular basis. Nevertheless, it is not possible entirely to rule out the possibility that the moderate risks outlined above – and remaining after active risk management – could have a negative impact on the net assets, financial position, and results of operations of the company or the Group. GRAMMER reviews the recoverability of goodwill once a year and additionally on a case-by-case basis at the level of the segments that represent the Group's cash-generating units. Impairment may be triggered by an increase in the discount factor and/or by a deterioration in business prospects.

Geopolitical risks

China's industrial strength, US trade policy, and other industrial policy measures are increasing the risk of a global trade war. Governments will significantly expand their industrial policies in order to compete with geopolitical rivals, secure strategic supply chains, and promote key sectors. This is part of a broader trend toward increased government intervention in the economy. The focus will not only be on new, strategic, and sensitive technologies, but increasingly also on digital infrastructures and everyday services. Business decisions regarding technology will have to be evaluated from a geopolitical perspective. This makes it necessary to analyze supply chains not only in terms of operational, regulatory, or compliance risks, but also with regard to their current and future geopolitical vulnerabilities. GRAMMER diversifies its global supply chains to minimize dependencies on individual regions. This includes identifying alternative suppliers, increasing inventories of critical compo-

nents, and working with strategic partners to strengthen supply chain resilience and minimize the impact of protective tariffs or export restrictions.

In the event of an escalation of the China-Taiwan conflict, the risks arising from internal supply and service relationships are manageable for GRAMMER due to the largely autonomous nature of its business in China. Similarly, no serious consequences are expected for the other regions, as they operate largely independently of the intermediate products manufactured by GRAMMER China. Any sanctions against China, whether resulting from an escalation of the China-Taiwan conflict or potential arms deliveries from China to Russia, could have drastic consequences for the economy as a whole, including indirect disruptions to the supply chain at GRAMMER suppliers and GRAMMER customers worldwide, and a corresponding reduction in call-off volumes from OEMs. Due to its main shareholder, the GRAMMER Group could increasingly be perceived as a Chinese company. This could lead to market disadvantages for the GRAMMER Group as a result of protectionist measures taken by certain governments against China. Furthermore, in a worst-case scenario, Western subsidiaries in China could be nationalized. This would have a serious impact on the GRAMMER Group's consolidated revenue and earnings. This may pose a risk to the net assets, financial position, and results of operations of the company or the Group. GRAMMER considers the risk of an escalation of the conflict with the corresponding impacts to be very low.

The GRAMMER Group may face further risks as a result of an escalation of current geopolitical tensions, such as the Russia-Ukraine conflict, the worsening crisis in the Middle East, or other new geopolitical tensions. US trade policy and increasing tensions between the US and China have already led to an escalation of tariffs on strategic goods such as electronics, automotive parts, and raw materials. Possible countermeasures

by the EU could lead to protective tariffs on imported goods. This may lead to indirect risks and effects, such as price increases and shortages of energy and raw materials.

Legal risks

As a company that operates internationally, GRAMMER is subject to a wide range of legal and regulatory requirements. The multitude of legal provisions and regulations and their constant changes may give rise to risks that could have a negative impact on the net assets, financial position, and results of operations of the company or the Group. Existing and impending legal disputes are regularly recorded, analyzed, evaluated in terms of their legal and financial implications, and taken into account accordingly in the balance sheet risk provisions. However, the outcome of legal disputes is never certain, meaning that there are further risks beyond the balance sheet provisions that could have a negative impact on the financial and earnings targets of the company or the Group. GRAMMER AG and its subsidiaries are subject to warranty claims from their customers due to alleged defects in their products. Appropriate provisions are set aside to account for potential warranty claims. In addition, claims are being asserted in court proceedings for alleged defects in GRAMMER products. If these proceedings conclude to the detriment of GRAMMER, this may result in the payment of damages, rectification work, or other cost-intensive measures. As the proceedings are subject to considerable uncertainty, it is possible that the provisions set aside may prove to be insufficient in some cases. This may result in additional expenses. Restrictions on the company's international activities due to import or export controls, customs regulations, or other trade barriers resulting from regulatory requirements represent a risk that GRAMMER cannot avoid due to the nature of its business. In addition, export control regulations, trade

restrictions, and sanctions may adversely affect or restrict business activities. To mitigate legal risks, there are a number of company-wide standards that are refined on a regular basis. Examples include general terms and conditions, sample contracts for various use cases, and internal guidelines and procedural instructions. GRAMMER also uses a system comprising detailed contract review, contract management, and systematic documentation and archiving. Adequate insurance is in place for "normal" risks and existential risks.

Compliance risks

As a group that operates internationally, GRAMMER faces risks that may arise from violations of applicable laws or internal rules and from individual or collective misconduct on the part of employees, executives, or management. The realization of such risks could have a negative impact on the net assets, financial position, and results of operations of the company or the Group due to potential fines and liability, and could damage GRAMMER's reputation. To reduce and prevent such incidents, GRAMMER's existing compliance management system is subject to continuous refinement and expansion under the leadership of the Chief Compliance Officer. It includes both preventive measures, such as employee training, and reactive measures, such as handling and following up on reports of violations or misconduct.

3.6 Opportunities

Market opportunities

Despite overall stagnant market development, opportunities are opening up for the GRAMMER Group, resulting in particular from efficiency gains, strategic flexibility, and technological adaptation. Restructuring measures at both GRAMMER and OEMs offer the opportunity to optimize processes, reduce costs, and make existing production and supply structures more efficient.

Even in an environment of trade barriers and tariff-related challenges, GRAMMER can secure competitive advantages through targeted local production and close cooperation with customers and partners. Technological developments such as electrification and the increasing connectivity of vehicles are creating new requirements for interior components, which GRAMMER can meet with modular and intelligent solutions without having to rely on additional market demand.

In addition, strategic partnerships and the optimization of global supply chains can help to ensure stability in an uncertain economic environment and safeguard capacity for innovation in the long term. At the same time, the targeted promotion of employees through attractive working conditions and training measures helps to retain expertise and strengthen competitiveness even in difficult market phases.

Global economy: The GRAMMER Group's global presence offers opportunities to continue benefiting from moderate growth in the global economy. In particular, positive economic development in the main sales markets and the associated increase in demand for passenger cars and commercial vehicles may result in opportunities for GRAMMER in terms of increased product demand.

Growth in core regions: Overall, the importance of the Chinese market for GRAMMER continues to grow significantly. In the Automotive product area in particular, GRAMMER is increasingly acting as a supplier to local vehicle manufacturers, but also supplies its European and American partners in the premium segment. In China, new opportunities are also arising from the acquisition of orders from global OEMs and through cooperation with new OEMs. In the Commercial Vehicles product area, GRAMMER operates in the Chinese onroad and offroad markets

for suspension seat systems with local production and expects additional growth if positive market effects materialize. Opportunities are also arising from the increased demand for product features such as ergonomics and safety. In addition, the German government's special fund for infrastructure and climate neutrality opens up additional growth prospects in the German market. The associated capital expenditure, particularly in infrastructure, is likely to lead to increased construction activity and create corresponding business opportunities.

Growth with a larger customer base: Tapping into additional customer segments also offers opportunities for the GRAMMER Group. This is due partly to the global expansion of existing customers and partly to the increased penetration of local customers in new markets. Such opportunities have so far resulted in increased customer diversification in AMERICAS and APAC.

Premium segment: In the past, GRAMMER focused primarily on the premium segment for seats and interior systems, but has recognized that not every customer demands "high-end products" and that limiting itself in this way carries the risk of losing market share. In order to secure future revenue growth, broader diversification has been initiated and products are now also being developed for the budget and mid-size car segments.

Global megatrends: GRAMMER is well positioned to benefit from the global megatrends of population growth, increased demand for transportation, and rising demand for food. The Group aims to make the most of the opportunities this presents. For example, increased demand for transportation may boost sales of products in the Automotive and Commercial Vehicles product areas. Growing demand for food and agricultural goods, as well as increased construction activity, may also lead to higher sales volumes in the Commercial Vehicles product area, as many of the machines used are equipped with GRAMMER seating systems. Overall, GRAMMER is aiming to achieve continuous rev-

enue growth in its product areas by capitalizing on opportunities arising from global megatrends.

Automated driving and electric vehicles: GRAMMER is a manufacturer of seat components and consoles, as well as other decorative and functional parts for vehicle interiors. Unlike in drivetrain and engine technology, the company expects the electrification of powertrains and gradual automation to open up new opportunities due to the demand for increasingly high-quality and functional interior components that meet the new requirements of driving. GRAMMER is continuing to invest in interior solutions for autonomous and electrified vehicles that focus on functionality and comfort. Digital solutions such as smart seating systems may strengthen customer loyalty.

Strategic opportunities

In addition to market opportunities, GRAMMER also has strategic opportunities, which are explained below.

Synergies: GRAMMER understands this to mean cooperation with its Chinese majority shareholder, the Ningbo Jifeng Group. This affects areas such as research and development, procurement and sales, as well as the consolidation of production activities to cut costs. This may result in opportunities to strengthen the market position, particularly by tapping into new markets and expanding and refining the product range (especially car seats) in order to achieve lasting improvements in the growth and profitability of the GRAMMER Group.

Efficiency measures: The company is continuously working on the development and implementation of efficiency measures and cost-cutting initiatives with the aim of improving its strategic competitive position. In this context, GRAMMER also regularly reviews its global development and manufacturing network.

Innovation: Ongoing research and development projects also open up opportunities to tap into new market segments and expand existing market shares. In both product areas, employees are working specifically on innovative solutions to meet the future requirements of their customers. GRAMMER continues to be perceived by its customers as an innovative and proactive partner. Activities in the area of product and technology innovation are geared toward making the most of attractive market potential through new developments. In both product areas, the focus is on application-oriented topics that specifically address the innovation priorities of end users and can be incorporated into ongoing acquisition projects at an early stage.

Climate change mitigation: Climate change mitigation measures offer opportunities to reduce costs by increasing energy efficiency, e.g., through energy-efficient production processes or by switching to low-emission modes of transport. This may lead to greater customer appeal due to lower greenhouse gas emissions. Protecting economic, social, and environmental foundations through measures to adapt to the impending consequences of climate change (e.g., renovating buildings, relocating supply chains) offers opportunities in terms of increased confidence among lenders due to sound planning for adaptation to climate change, ensuring economic stability and flexible value chains, even in climate-related crises. Opportunities may arise from the visible use of recycled or recyclable materials, which may increase customer appeal, while at the same time reducing disposal costs through waste reduction.

Human resources: Opportunities related to human resources arise from increased employee satisfaction and performance, e.g., due to attractive working conditions, fair pay, and improved occupational safety, which may lead to an increase in reputation, including the perception of being a "sustainable and meaningful employer".

Suppliers: Opportunities may arise from the improvement in reputation resulting from GRAMMER being perceived as a trustworthy partner. Partnerships with suppliers may be established, leading to increased innovation and further collaboration and cooperation, even in times of crisis.

Compliance: Maintaining reputation by complying with laws or thoroughly and carefully monitoring and eliminating potential legal uncertainties also creates opportunities.

3.7 Assessment of risks and opportunities

After thoroughly reviewing the current risk situation, the Group has come to the conclusion that the precautions and measures taken by the GRAMMER Group adequately address the identified risks. The risks currently known lead to the assessment that GRAMMER is not exposed to any existential risks or facts that could impede its development, and that the opportunities could additionally result in risk-minimizing aspects, especially since the risks have been reflected in the company's planning.

4. Business development forecast for the GRAMMER Group

4.1 Expected economic environment

4.1.1 Macroeconomic environment

The IMF continues to expect moderate global economic growth for 2026. According to the January 2026 World Economic Outlook Update, global gross domestic product is expected to grow by around 3.3%, remaining below the long-term historical average of 3.7% (2000–2019). Global inflation is expected to continue to decline, falling to around 3.8% in 2026. While industrialized countries are expected to reach their inflation targets more quickly, disinflation is proceeding more slowly in emerging and developing countries. In some regions, there is still a risk that inflation will decline only gradually.

The IMF cites ongoing high political and trade policy uncertainty, particularly in connection with possible tariff increases and geopolitical tensions, as key risk factors. In addition, a renewed rise in inflation could interrupt the monetary easing policies of central banks in some countries. In the US, the IMF expects moderate growth of around 2.4% in 2026, due mainly to a stable labor market, while the investment environment remains characterized by increased uncertainty. Growth in the eurozone remains subdued at around 1.3%; for Germany, the IMF expects GDP to grow by around 1.1%, with structural weaknesses and geopolitical pressures continuing. Despite ongoing problems in the real estate sector and increased trade policy uncertainties, the IMF forecasts growth of around 4.5% for China.

Overall, the global economic environment will continue to be characterized by subdued growth, declining inflation, and increased uncertainty in 2026.

4.1.2 Sector environment

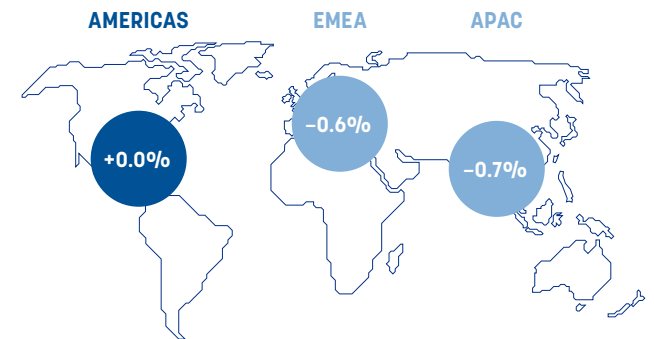
Automotive

Decline in production in APAC and EMEA; stagnation in AMERICAS

In its December 2025 forecast, S&P Global Mobility anticipates a slight decline in passenger car production figures in 2026. The experts expect that around 0.5 million fewer vehicles will be produced worldwide in the current financial year than in the previous year, corresponding to a decline of 0.5%. In the APAC region, an overall decline of –0.7% is expected, although APAC excluding China is expected to show slightly positive growth of +1.5%. For China, the outlook for 2026 has been revised downward by around 2.2% compared with the previous year, as incentives for trading in old vehicles are expected to lose their effect and short-range PHEVs will be excluded from the tax allowance for the purchase of alternative-fuel vehicles. In EMEA, S&P expects production to decline by 0.6%. Subdued domestic demand is being hampered by negative trade flows, particularly imports from China, which are expected to increase significantly and suppress local production. In AMERICAS, production is

expected to remain flat compared with the previous year. Trade policy has caused vehicle prices to rise, and high interest rates, which are leading to an increase in loan defaults, are weakening consumer demand, forcing a slowdown in production.

Expected automotive production in 2026 compared with the previous year

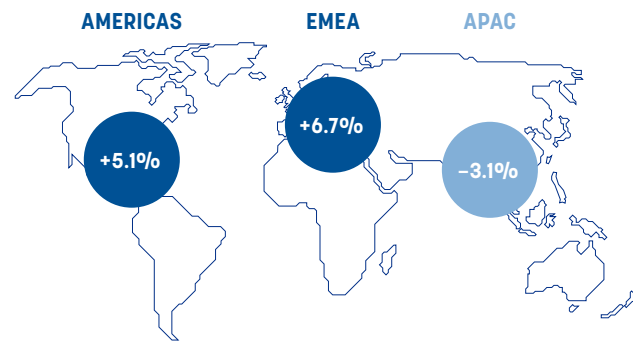


Commercial Vehicles

Cautious recovery with regional variations

In the commercial vehicle sector, S&P Global Mobility forecasts a slight increase in global production volume of 0.3% for the current 2026 financial year in its December 2025 forecast, driven primarily by the EMEA (+6.7%) and AMERICAS (+5.1%) regions. However, following the decline in production in previous years, this is more of a cautious recovery, which in EMEA is being supported by additional capital expenditure on infrastructure and defense in Germany, particularly in a transport market that remains weak overall. In China, by contrast, production is expected to decline by 8.2% in the current year, which will impact the entire APAC region [–3.1%]. Excluding China, the region recorded a 5.3% increase in production. The reasons for the decline in production in China are, in particular, falling demand for natural gas trucks, trade tensions, low freight rates, and high transport costs, as well as a large vehicle fleet.

Expected commercial vehicles production (trucks and buses) in 2026 compared with the previous year



Agricultural machinery industry

According to the German Engineering Federation (VDMA), following the downturn in 2025, the market is expected to recover (+3.0%) in the current year 2026. Due to geopolitical factors, the market is experiencing a realignment of its export geography, with markets outside the traditional European countries becoming increasingly important. Despite short-term pressures, the market is likely to benefit from long-term trends in agricultural technology and automation.

Construction machinery industry

According to the VDMA, the global machinery industry, including construction machinery, is expected to experience a moderate recovery in 2026, with price-adjusted growth of around 4% expected for global machinery sales. Asia will continue to experience above-average growth. The general mood for mechanical engineering in 2026 is characterized more by a “moderate recovery” than by a rapid upswing, with the focus on adapting to technological and environmental changes.

Material handling

Growth of +2.7% is expected in the material handling sector for 2026. The positive outlook for the industry is driven by three main factors: automation, electrification, and emerging markets. China is the dominant force in technological development and the price revolution. North America will experience a moderate recovery, while Europe will show strength in the south and stability in the north.

Rail industry

The relevant markets in the rail sector recorded moderate growth in the 2025 financial year. This development continued to be driven by long-term megatrends such as urbanization, population growth, decarbonization, and digitalization, which promote investment in sustainable transport infrastructure. Despite increasing macroeconomic uncertainties, positive market growth is expected for the 2026 financial year. The markets for rolling stock and services in particular remain robust, supported by several upcoming major projects. Demand is spread across all market segments, with particular momentum in the high-speed train sector (including in the Middle East and Africa as well as in Western Europe), in commuter and regional transport (especially in Western Europe), and in the metro segment (primarily in North America and Europe). Overall, the structural investment environment in the rail sector remains intact.

Other factors

The overall economic and industry-specific conditions are of significant importance for GRAMMER’s business performance. However, a number of other factors also play an important role.

US trade policy under the Trump administration remains a key source of uncertainty for free global trade. Since the beginning of 2025, a significantly more protectionist stance has been evident, including the (continued) use of tariffs as an instrument of foreign and economic policy. This gives rise to increased risks

for 2026 as well; for example, due to possible additional measures against China and an escalation of trade tensions with other partners (including Canada and Europe).

The strategic rivalry between the US and China also remains relevant as ever. In addition to economic and technological friction, security tensions in the Indo-Pacific (including in the South China Sea) increase the risk of escalation or, at the very least, prolonged uncertainty. Any disruption in trade and investment relations between the US and China may have a tangible impact, directly or indirectly, on global supply chains, investment decisions, and growth prospects.

Added to this are ongoing geopolitical crises, particularly the war in Ukraine and the conflicts in the Middle East. In 2026, these developments are also expected to weigh on global economic structures and relationships and continue to influence energy and commodity markets, capital flows, and the risk and investment climate. The high volatility on the energy markets – also exacerbated by weather and supply factors – underscores the fragility of the environment.

In light of these geopolitical risks, the automotive industry will most likely also face challenges in the 2026 financial year. The transition to electric vehicles remains challenging, and cost pressures along the value chain, intense competition, and price pressure in parts of the market could continue to weigh on the industry’s profit margins. At the same time, vehicle sales are likely to vary greatly from region to region, with declining sales in key markets such as Europe and China, as the macroeconomic environment in Europe is expected to stabilize but still not show dynamic growth.

In addition, trade risks and geopolitically motivated location and procurement decisions, such as China’s export ban on Nexperia chips, may lead to structural changes in supply chains. OEMs

and suppliers are likely to continue their “de-risking” approaches, with aims including reducing dependencies and increasing supply robustness and resilience. This may entail additional complexity, adjustment costs, and relocation risks in the short term.

Insolvency risks will remain elevated in 2026, particularly in the context of structural challenges in the automotive sector, high financing costs, and a challenging market environment overall. Despite substitution measures introduced at short notice, supplier failures may, in unfavorable cases, lead to production interruptions and thus have a negative impact on earnings. On the customer side, increased financial pressure on individual market participants is also to be expected, which could lead to interruptions in production programs and impairment of receivables.

4.2 Outlook GRAMMER Group and GRAMMER AG in 2026

Going forward, ongoing trends toward electrification, sustainability, and digitalization will continue to shape the development of the automotive and commercial vehicle markets and, consequently, the development of GRAMMER. GRAMMER’s strategic goals and priorities remain unchanged and are aligned with these developments. When preparing its forecast for the 2026 financial year, GRAMMER therefore takes into account the expected macroeconomic and industry environment described above, as well as its analysis of potential opportunities and risks. The assumptions in this outlook also assume that the structure and composition of the GRAMMER Group will remain unchanged.

Revenue affected by volatile market developments

The Executive Board currently expects customer demand in both of GRAMMER’s product areas to vary by region and industry in 2026.

Market conditions are likely to remain difficult, with subdued production growth in the passenger car markets in APAC and EMEA and stagnation in AMERICAS. A moderate recovery is expected in selected commercial vehicle markets. Overall, the environment is characterized by high uncertainty, significant regional differences, and ongoing geopolitical, trade-related, and supply chain risks.

Against this backdrop, GRAMMER nevertheless expects growth opportunities, primarily from the expansion of its automotive business in China, particularly due to the increasing importance of local Chinese customers. In addition, revenue growth is expected in the Automotive product area in the AMERICAS region, due chiefly to the ramp-up of new projects. Overall, the Executive Board expects the GRAMMER Group to generate revenue of around EUR 1.9 billion in the 2026 financial year, assuming stable exchange rates.

Further improvement in profitability

Developments in sales volumes, the revenue mix between Automotive and Commercial Vehicles, and the customer and product mix in the product areas and between regions have a noticeable impact on GRAMMER’s margin performance. Other relevant factors include material, human resources, and energy costs, as well as pricing. For 2026, it is assumed that the continuation of the “Top 10” measures, such as efficiency initiatives and restructuring measures, will have a particularly positive impact on profitability.

Accordingly, the Executive Board anticipates operating EBIT for the GRAMMER Group of around EUR 80.0 million (2025: EUR 75.1 million).

Overall statement by the Executive Board on expected performance

Against the backdrop of a market environment that remains challenging and volatile, the Executive Board expects stable to slightly positive performance overall for the GRAMMER Group in the 2026 financial year. Regional and industry-specific differences in customer demand will shape revenue levels, with growth momentum expected in particular from the automotive business in China and from the ramp-up of new projects in the AMERICAS region.

At the same time, the Executive Board expects that the systematic continuation of the “Top 10” program and further efficiency and restructuring measures will contribute to a continued improvement in profitability. Overall, the Executive Board expects revenue of around EUR 1.9 billion and operating EBIT of around EUR 80 million for 2026.

Outlook for GRAMMER AG in 2026

Due to the continuing difficult macroeconomic and industry-specific conditions as well as project cancellations, GRAMMER AG expects revenue for the 2026 financial year to remain at the 2025 level. At the same time, however, a further improvement in profitability is expected, primarily as a result of R&D subsidies. In addition, the positive performance of the subsidiaries and stable dividend income should contribute to increased earnings. GRAMMER AG’s revenue for the 2026 as a whole is expected to amount to approximately EUR 300.0 million. Based on its planning, the company also expects EBIT of around EUR –38.0 million.

5. Disclosures on GRAMMER AG according to the German Commercial Code (HGB)

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

Framework conditions

The general economic and industry-specific conditions affecting GRAMMER AG are essentially the same as those affecting the GRAMMER Group and are described in the "Economic report" section of the combined management report.

Business performance

Key figures of GRAMMER AG

EUR k	2025	2024	Change
Revenue	315,495	332,063	-16,568
Annual result	17,198	-115,237	132,435
Capital expenditures (including financial assets)	57,263	216,403	-159,140
Employees on an annual average	702	759	-57

GRAMMER AG reports a decline in revenue but an improvement in EBIT and annual results

GRAMMER AG Statement of Income

EUR k	2025	2024	Change
Revenue	315,495	332,063	-16,568
Change in inventory	-8,897	2,109	-11,006
Other operating income	17,514	38,518	-21,004
Cost of materials	210,257	233,536	23,279
Personnel costs	76,282	104,970	-28,688
Depreciation and amortization	6,189	7,005	816
Other operating expenses	86,959	95,594	8,635
Earnings before interest and taxes (EBIT)	-55,575	-68,415	12,840
Financial result	81,363	-43,600	124,963
Earnings before taxes	25,788	-112,015	137,803
Income taxes	8,063	3,049	-5,014
Other taxes	527	173	-354
Annual result	17,198	-115,237	132,435

In a market environment that remained challenging, GRAMMER AG recorded a decline in revenue in the 2025 financial year, which resulted from lower revenue in the Automotive product area and affected foreign sales regions. However, the decline in revenue was also partly attributable to the changes in billing arrangements within the GRAMMER Group, some of which were already implemented in the second half of 2023. Since then, subsidiaries have been invoicing a larger proportion of their deliveries directly to the respective end customers, whereas GRAMMER AG previously often acted as an intermediary distributor for these

products. The corresponding revenue is therefore generated only by the subsidiaries concerned, without this reducing the consolidated revenue achieved by the GRAMMER Group.

Against this backdrop, GRAMMER AG recorded a decline in revenue of EUR 23.0 million (9.8%) in the Automotive product area, while revenue in the Commercial Vehicles product area increased by EUR 6.4 million (6.7%) compared with the previous year.

Despite the decline in revenue, EBIT improved by EUR 12.8 million to EUR -55.6 million (previous year: EUR -68.4 million). In addition, because the financial result (EUR 81.4 million; previous year: EUR -43.6 million) increased significantly on the previous year, mainly due to significantly lower depreciation of financial assets, the annual results rose from EUR -115.2 million in 2024 to EUR 17.2 million in the 2025 reporting year.

In contrast to previous years, GRAMMER AG's annual results were significantly less influenced by non-recurring effects on earnings in the 2025 financial year. Other operating income from the reversal of restructuring provisions amounting to around EUR 4.5 million was noteworthy for 2025 in this respect.

By contrast, earnings in the 2024 financial year were particularly influenced on the one hand by non-recurring other operating income from the transfer of financial assets within the Group amounting to EUR 20.4 million and, on the other hand, by special charges relating to provisions for restructuring amounting to EUR -23.9 million and depreciation of shares in affiliated companies amounting to EUR -115.8 million.

After eliminating the above-mentioned non-recurring items of EUR 4.5 million (previous year: net EUR -119.3 million) and foreign currency effects of EUR -4.0 million (previous year: EUR 7.9 million), adjusted earnings before income taxes for the 2025 financial year amounted to EUR 25.3 million (previous year: EUR -0.6 million). The corresponding increase in adjusted earnings of EUR 25.9 million compared with the previous year was attributable primarily to improved operating EBIT.

5.1 Economic position

5.1.1 Results of operations

GRAMMER AG recorded a significant increase in its annual results in the reporting year. The 2025 financial year saw net profit for the year of EUR 17.2 million, compared with a net loss for the year of EUR –115.2 million in the previous year.

Revenue

In the 2025 financial year, GRAMMER AG's revenue fell by EUR 16.6 million to EUR 315.5 million (previous year: EUR 332.1 million). From a regional perspective, revenue from customers abroad declined in particular, while business with customers within Germany increased.

Domestic revenues increased by roughly 11.8% to EUR 98.2 million (previous year: EUR 87.8 million). This overall change was significantly influenced by developments in the Commercial Vehicles product area, which recorded an increase in revenue of EUR 5.5 million or 16.0% in Germany, while revenue in the Automotive product area in Germany rose by EUR 4.9 million or 9.2%. Due to the overall increase in domestic revenue, the share of GRAMMER AG's total revenue accounted for by revenue in Germany rose for the first time in years. While this share was still 26.4% in the previous year, it increased by 4.7 percentage points to 31.1% in the 2025 financial year.

By contrast, revenue from **international business** (third countries and the EU) fell by EUR 27.0 million on balance in the 2025 financial year, from EUR 244.3 million to EUR 217.3 million. The decline in revenue resulted from a decrease in revenue in EU customer business (–5.6%) as well as in third-country business (–19.5%). In terms of the product areas, the decline in international business was attributable exclusively to the Automotive product area (–15.3%), while the Commercial Vehicles product area recorded a slight increase of 1.5% in international business, which was due mainly to transactions with EU customers. Commercial Vehicles revenue increased in EU business (+4.5%) and decreased in third-country business (–4.2%).

In the **Automotive** product area, revenue decreased by EUR 23.0 million to EUR 212.9 million (previous year: EUR 235.9 million). This decline was due mainly to the generally difficult market situation. In the Automotive product area, GRAMMER supplies interior components to prestigious car manufacturers and system suppliers in the automotive industry. Revenue in this product area consists mainly of the sale of goods purchased from subsidiaries and project business for the development of series products with the corresponding tools. As a result, GRAMMER AG's revenue development continues to be based primarily on the production volumes of the respective end customer platforms and models that are ramped up at the supplying subsidiaries.

In the **Commercial Vehicles** product area, revenue increased by EUR 6.4 million to EUR 102.6 million (previous year: EUR 96.2 million). The Commercial Vehicles product area comprises the core business areas of truck and offroad seats as well as buses and trains. In this business segment, too, GRAMMER AG's revenue continues to consist almost exclusively of the sale of goods purchased from subsidiaries. Due to the improved market environment in this segment, GRAMMER AG's revenue developed positively.

Other operating income

Other operating income decreased in the 2025 financial year, falling by EUR 21.0 million to EUR 17.5 million (previous year: EUR 38.5 million). A key factor in this decrease is the non-recurring income incurred only in the previous year in connection with the transfer of previously directly held shares in the subsidiary GRAMMER Deutschland GmbH in exchange for a new stake in that company (EUR 20.4 million), which was not offset by corresponding income in the 2025 financial year. In addition, lower income from foreign currency translation (EUR 2.0 million; previous year: EUR 13.3 million) and higher income from reimbursements and compensation payments (EUR 8.6 million; previous year: EUR 3.4 million) and from the reversal of provisions (EUR 4.8 million; previous year: EUR 0.1 million) had a significant impact on the overall change in other operating income.

Expenses

GRAMMER AG's **material expenses** fell in line with the revenue trend, dropping by EUR 23.2 million from EUR 233.5 million to EUR 210.3 million in 2025. As at the end of the previous year, the main reason for this was the partial change in invoicing arrangements within the GRAMMER Group, as a result of which subsidiaries now in some cases invoice the end customers concerned directly. The material utilization rate in relation to the sum of revenue and changes in inventories of finished and unfinished products decreased to 68.6% (previous year: 69.9%). The changes in the material utilization rate were due primarily to shifts in the product mix; in addition, this ratio is generally higher than at comparable manufacturing companies, as GRAMMER AG exclusively sells goods and carries out development orders, but does not manufacture any products itself.

Personnel expenses decreased by EUR 28.7 million to EUR 76.3 million in the 2025 financial year (previous year: EUR 105.0 million), with the average number of employees at GRAMMER AG over the year falling from 759 to 702. In addition to the reduction in the number of employees, this decline in personnel expenses was due in particular to the elimination of the expenses incurred in the previous year for setting aside provisions for restructuring, amounting to EUR 23.9 million, and the relief provided by the restructuring and future-oriented collective agreement entered into. At approximately EUR 1.1 million, lower expenses for pension obligations also contributed to the decline in personnel expenses, while the transfer of 37 employees as part of the integration of the Jifeng Automotive Interior Group (JAI) into the GRAMMER Group increased personnel expenses from the beginning of the 2025 financial year.

Depreciation and amortization on property, plant, and equipment and intangible assets decreased further by EUR 0.8 million from EUR 7.0 million to EUR 6.2 million. The main reason for this was lower capital expenditure, as the necessary capital expenditure for product manufacturing is regularly carried out by the subsidiaries that conduct operational manufacturing.

Other operating expenses decreased by EUR 8.6 million to EUR 87.0 million (previous year: EUR 95.6 million). Developments in the individual expense categories partially offset this effect. Particularly significant decreases were recorded in operating costs (EUR –3.7 million or –35.5%) and administrative costs (EUR –6.1 million or –9.4%). By contrast, an increase was recorded in the other significant expense categories, particularly in expenses for insurance, fees, and charges (EUR +1.2 million or +19.4%).

Financial result

Interest expenses fell slightly year on year from EUR 31.9 million to EUR 31.7 million (EUR –0.2 million). This development was offset by the reduction in average debt and the higher average interest rates to be paid. The interest expense item was also influenced by the interest item resulting from the change in pension provisions and the associated reinsurance assets, which in the previous year had consisted of interest expense of EUR 0.6 million on balance and in the 2025 financial year showed interest income of EUR 0.4 million on balance. In the assessment of pension provisions as of December 31, 2025, an interest rate of 2.06% (previous year: 1.90%) was taken as a basis. The calculations were based on the discount rate published by Deutsche Bundesbank for a remaining term of 15 years assumed as standard in accordance with Section 253 (2) sentence 2 of the HGB.

Expenses from **devaluation of shares in affiliated companies** and **loans to affiliated companies and participating interests** decreased significantly from EUR 115.8 million in the previous year to EUR 6.4 million. The write-downs in 2025 resulted from the valuation of loans and, in the previous year, mainly from the lower valuation of shares in two subsidiaries in AMERICAS.

Other interest and similar income, including **income from loans held as financial assets**, decreased by EUR 0.5 million from EUR 15.3 million in 2024 to EUR 14.8 million in the 2025 financial

year. This item was significantly influenced by income from loans to affiliated companies and from current receivables, as GRAMMER AG also largely performs the central financing function within the GRAMMER Group.

Income from investments decreased by EUR 24.6 million from EUR 48.7 million in 2024 to EUR 24.1 million in 2025. As in the previous year, the remaining dividend payments were attributable mainly to subsidiaries in China.

By contrast, **income from profit transfer agreements** with subsidiaries in Germany improved significantly. They increased by EUR 28.3 million from EUR 58.4 million to EUR 86.7 million. At the same time, the negative impact on earnings from loss transfer obligations to other subsidiaries decreased by EUR 12.2 million from EUR 18.3 million in the previous year to EUR 6.1 million, resulting in an overall increase of EUR 40.5 million in the positive contribution to earnings from profit and loss transfer agreements.

Overall, the decline in depreciation of financial assets in particular led to a year-on-year improvement in the **financial result** in 2025 by EUR 125.0 million from EUR –43.6 million to EUR 81.4 million.

Taxes

Income taxes rose by EUR 5.0 million year on year from EUR 3.0 million to EUR 8.0 million. This was due primarily to increased back tax payments for previous years (EUR 4.0 million).

Earnings

Earnings before interest and taxes (EBIT) improved by EUR 12.8 million from EUR –68.4 million to EUR –55.6 million. The increase was attributable to higher operating EBIT. In addition to this increase in EBIT, the financial result, which improved by EUR 125.0 million from EUR –43.6 million to EUR 81.4 million, must be added.

This was particularly significant because for GRAMMER AG, due to its dual function as an operating company and a holding company, it is not only EBIT but also the financial result that are of decisive importance. Earnings before taxes increased by EUR 137.8 million from EUR –112.0 million to EUR 25.8 million.

The annual results improved significantly overall compared with the previous year, by EUR 132.4 million from EUR –115.2 million. This resulted in net income of EUR 17.2 million.

5.2 Net assets and financial position

Total assets decreased by EUR 32.9 million or 3.7% from EUR 898.2 million in the previous year to EUR 865.3 million.

5.2.1 Net assets

Fixed assets

Fixed assets increased by EUR 44.2 million compared with the previous year to EUR 612.1 million (previous year: EUR 567.9 million). The increase in fixed assets was due primarily to investments in financial assets, particularly loans to affiliated companies and shares in affiliated companies. Within **financial assets**, which increased to EUR 533.0 million on balance (previous year: EUR 485.3 million), opposing effects neutralized each other to some extent. The additions of shares in subsidiaries as a result of capital increases (EUR 9.8 million), shares in participating interests (EUR 4.0 million) and new loans granted to subsidiaries (EUR 41.4 million) and write-ups on loans amounting to EUR 0.6 million are offset primarily by write-downs on loans amounting to EUR 6.4 million and repayments received on loans to subsidiaries amounting to EUR 1.7 million. By contrast, the decrease in **property, plant, and equipment** amounted to EUR 1.8 million and the decrease in **intangible assets** also amounted to EUR 1.8 million, due mainly to the fact that scheduled depreciation exceeded new investments by a corresponding amount in each case.

Current assets

Compared with the reporting date in the previous year, current assets decreased by EUR 77.2 million or 23.5% to EUR 250.7 million (previous year: EUR 327.9 million), due chiefly to a decline in receivables. **Inventories** amounted to EUR 41.8 million (previous year: EUR 51.3 million), down EUR 9.5 million on the previous year. The main reason for this was the decline in unfinished development work. The decrease in **receivables and other assets** by EUR 58.0 million to EUR 138.4 million (previous year: EUR 196.4 million) was due primarily to lower receivables from affiliated companies (decrease of EUR 73.4 million from EUR 164.6 million to EUR 91.2 million) and lower receivables from companies in which the Group holds an equity interest (decrease of EUR 1.5 million from EUR 2.6 million to EUR 1.1 million), while trade receivables increased to EUR 36.0 million (previous year: EUR 25.5 million), as did other assets, which rose by EUR 6.4 million from EUR 3.7 million to EUR 10.1 million. The main reason for the increase in other assets was an accounts receivable accrual of EUR 6.3 million to be recognized as of the reporting date. **Cash reserves and cash at bank** decreased compared with the previous year. As of the reporting date, GRAMMER AG had EUR 70.6 million in cash and cash equivalents (previous year: EUR 80.2 million).

5.2.2 Financial position

Equity

As of December 31, 2025, GRAMMER AG reported an increase in **equity** of EUR 17.2 million to EUR 91.4 million (previous year: EUR 74.2 million). This was influenced by the net income for 2025 of EUR 17.2 million. As a result of this and against the backdrop of a corresponding decrease in the reference value of total assets, the equity ratio rose to 10.6% (previous year: 8.3%).

Provisions

Provisions decreased by EUR 8.1 million or 6.5% to EUR 115.7 million as of the reporting date (previous year: EUR 123.8 million). This was due mainly to the decline in **other provisions**, which fell from EUR 35.3 million in the previous year to EUR 26.3 million. This decline was almost exclusively attributable to lower provisions for human resources (EUR –9.0 million), specifically in the form of lower provisions for restructuring, while at the same time, lower provisions for sales (EUR –0.5 million) and for anticipated losses from forward exchange transactions (EUR –0.5 million) as well as higher provisions for procurement (EUR +1.0 million) largely offset each other. There was also a decrease in **provisions for pensions**, which fell by EUR 4.7 million to EUR 83.5 million after offsetting against assets used exclusively to meet obligations arising from pension commitments and withdrawn from access by all other creditors. This was due primarily to inventory reductions resulting from pension payments (EUR 5.5 million). The increase in **tax provisions** of EUR 5.6 million to EUR 5.9 million, which was mainly the result of taxes for previous years, partially offset the overall decline in other provisions.

Liabilities

Overall, GRAMMER AG's liabilities decreased by EUR 42.0 million to EUR 658.2 million in the reporting year (previous year: EUR 700.2 million). **Liabilities to banks**, which GRAMMER AG uses primarily to finance its subsidiaries, decreased by EUR 49.7 million to EUR 425.5 million (previous year: EUR 475.2 million). This decrease was mainly attributable to the scheduled repayment of existing loans.

GRAMMER AG's financing consists of medium-term promissory note / private placement and other loans amounting to EUR 410.3 million (previous year: EUR 460.5 million) and also of short-term overdraft facilities.

Other liabilities comprised EUR 204.8 million (previous year: EUR 155.6 million) in **liabilities to affiliated companies** and EUR 0.8 million (previous year: EUR 2.3 million) in **liabilities to companies with which the company is linked by virtue of participating interests**, most of which resulted from financial liabilities arising from internal financing within the GRAMMER Group. Liabilities to affiliated companies also include intra-Group loans granted by the parent company Ningbo Jifeng Auto Parts Co., Ltd. amounting to EUR 129.6 million (previous year: EUR 129.6 million) with terms up to May and December 2027. **Advance payments received on orders**, which amounted to EUR 0.6 million as of the reporting date (previous year: EUR 0.1 million), increased compared with the previous year's reporting date, as did **other liabilities**, which rose by EUR 4.8 million to EUR 10.1 million (previous year: EUR 5.3 million), while at EUR 16.4 million, **trade payables** were down significantly as of the reporting date (previous year: EUR 61.7 million).

5.2.3 Capital expenditure

Capital expenditure on fixed assets, excluding capital expenditure on financial assets, amounted to EUR 2.1 million, as in the previous year (previous year: EUR 2.1 million). As in the previous year, expenses were incurred primarily for IT hardware and software, operating and office equipment, and fire protection equipment. In the 2025 financial year, GRAMMER AG invested in financial assets primarily by issuing loans, particularly to a subsidiary in the AMERICAS, and in the form of capital increases at affiliated companies.

5.3 Financial statement of the Management Board pursuant to Section 312 of the German Stock Corporation Act (AktG)

In its report, pursuant to Section 312 of the German Stock Corporation Act (AktG), the Executive Board of GRAMMER AG issued the following closing declaration for the financial year from January 1, 2025, to December 31, 2025:

“Our company has received appropriate consideration for each of the legal transactions listed in the report on relations with affiliated companies, based on the circumstances of which it was aware at the time the legal transactions were carried out. There were no measures subject to reporting requirements within the meaning of Section 312 of the AktG during the reporting period.”

5.4 Overall statement on business development by the Executive Board for GRAMMER AG

Due to its close ties with the other Group companies and its importance within the Group, the expectations for GRAMMER AG are reflected in the GRAMMER Group forecast. Similarly, the statements made for the GRAMMER Group regarding market development also essentially apply to the business development of GRAMMER AG.

Due to its financing activities, GRAMMER AG is exposed to the effects of currency fluctuations, particularly in currencies of countries that are important to its business, such as Czechia, Turkey, China, Mexico, and the US. Although measures to hedge these risks are continuously being improved, significant exchange rate fluctuations in the relevant currencies may still have an impact on GRAMMER AG’s results of operations.

For the past 2025 financial year, the Executive Board of GRAMMER AG anticipated a significant decline in revenue compared with the previous year, due primarily to the ongoing transition to customer invoicing directly from the manufacturing plants. In a market environment that remains challenging, GRAMMER AG recorded a 5.0% decline in revenue to EUR 315.5 million in 2025 accordingly.

While the Commercial Vehicles product area recorded a delightful increase in revenue of EUR 6.4 million (+6.7%) compared with the previous year, revenue in the Automotive product area declined by EUR 23.0 million (-9.8%).

Earnings before interest and taxes (EBIT) in the 2025 financial year rose by EUR 12.8 million from EUR -68.4 million to EUR -55.6 million. Last year’s forecast by the Executive Board had already assumed EBIT of around EUR -38.0 million for 2025, which was significantly above the EBIT for 2024. The Executive Board considers GRAMMER AG’s performance in the 2025 financial year, which was heavily dependent on the GRAMMER Group’s business performance, to be satisfactory overall.

6. Disclosures pursuant to Sections 315a and 289a of the German Commercial Code (HGB)

Composition of the subscribed capital: As of December 31, 2025, the subscribed capital of GRAMMER AG amounted to EUR 39,009,080.32 (previous year: EUR 39,009,080.32) and was divided into 15,237,922 no-par-value bearer shares.

Restrictions affecting voting rights or the transfer of shares: Each no-par-value share grants one vote at the Annual General Meeting and determines each shareholder’s share of profits. This does not apply to own shares held by the company, from which the company has no rights (Section 71b of the AktG). In the cases specified in Section 136 of the AktG, the voting rights attached to the shares concerned are excluded by law. Violations of disclosure requirements within the meaning of Sections 33 (1), (2), 38 (1), and 39 (1) of the German Securities Trading Act (WpHG) may result in the suspension of rights attached to shares and voting rights, at least temporarily, in accordance with Section 44 of the WpHG. GRAMMER AG is not aware of any other restrictions on voting rights, particularly contractual restrictions. The statutory provisions apply to the exercise of voting rights by intermediaries, shareholder associations, proxy advisors, and other

persons who offer shareholders professional services for the exercise of voting rights at the Annual General Meeting. Section 135 of the AktG applies in particular. In the context of Article 19 (1) of Regulation (EU) No. 596/2014 (Market Abuse Regulation), certain trading restrictions apply to members of the Executive Board and Supervisory Board of GRAMMER AG in relation to transactions in GRAMMER AG shares, particularly around the time of publication of business figures.

Direct or indirect holdings in the share capital exceeding 10% of the voting rights: The notes to the 2025 consolidated financial statements of the GRAMMER Group and GRAMMER AG contain detailed information on the voting rights notifications pursuant to Section 33 of the WpHG. The voting rights percentages stated above may have changed after the date indicated without GRAMMER AG having been notified of such changes. Furthermore, GRAMMER has not been notified of any direct or indirect shareholdings in the company’s capital that reach or exceed 10% of the voting rights, nor are any such shareholdings otherwise known.

There are no **shares with special rights conveying powers of control**.

Type of voting rights control when employees hold shares in the company and do not exercise their control rights directly: There are no employee share ownership programs. If employees hold shares in the company, they may exercise the control rights to which they are entitled under these shares in accordance with the provisions of the company’s Articles of Association and the law.

Statutory provisions and provisions of the Articles of Association governing the appointment and dismissal of members of the Executive Board and amendments to the Articles of Association: The appointment and dismissal of the Executive Board of GRAMMER AG is governed by the statutory provisions (Sections 84 and 85 of the AktG and Section 31 of the German Co-Determi-

nation Act (MitBestG)). In accordance with Sections 8 et seq. of the company's Articles of Association, the Executive Board consists of at least two members. Amendments to the company's Articles of Association are governed by Sections 119 (1) No. 5 and 179 (2) of the AktG; Section 25 of the company's Articles of Association regulates the passing of resolutions by the Annual General Meeting. Pursuant to Section 13 (3) of the company's Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that affect only the wording of the Articles of Association.

Powers of the Executive Board to issue or repurchase shares:

By resolution of the Annual General Meeting on June 23, 2021, the Executive Board was authorized to increase the company's share capital by June 22, 2026, with the approval of the Supervisory Board, by issuing new no-par-value bearer shares in exchange for cash and/or non-cash contributions, on one or more occasions, but by a maximum total of EUR 19,504,537.60 (2021 authorized capital). In principle, shareholders are to be granted subscription rights; statutory subscription rights may also be granted in such a way that the new shares are taken up by one or more banks or equivalent companies pursuant to Section 186 (5) sentence 1 of the AktG with the obligation to offer them to shareholders for subscription. The Executive Board was authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases. No use has been made of this authorization to date. The Executive Board of GRAMMER AG is not authorized to issue warrants and/or convertible bonds. There is no authorization to acquire own shares in accordance with Section 71 (1) No. 8 of the AktG. As of December 31, 2025, GRAMMER AG held 330,050 own shares, all of which were acquired in the 2006 financial year. These 330,050 own shares do not carry voting rights and are not entitled to dividends.

Material agreements by the parent company that are subject to a change of control as a result of a takeover bid and the resulting effects:

In the event of a change of control in the course of a takeover bid, GRAMMER AG's key financing agreements, particularly the promissory note loans placed in 2015 and 2019, which still have a total value of EUR 48.3 million as of December 31, 2025, may be called in immediately. Under the syndicated loan agreement dated December 12, 2024, involving a total amount of EUR 80 million, the lenders have rights of termination and repayment in the event of a change of control. These are individually applicable to each separate lender in proportion to their share of the loan. In the event of a change of control, some of the key customers, suppliers, and other cooperation partners also have the right to terminate their contractual agreements with the company prematurely.

Compensation agreements between the company and members of the Executive Board or employees in the event of a takeover bid do not exist.

Ursensollen, March 13, 2026



Jens Öhlenschläger



Kelvin (Bangben) Wang



Guoqiang Li

GRAMMER Aktiengesellschaft Executive Board



**COMBINED SEPARATE
NON-FINANCIAL REPORT
2025**

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Combined separate non-financial report 2025

For GRAMMER, sustainability begins with the people who work in and are associated with the company. It ranges from research and development (R&D), procurement and production to the finished products and the end-of-life recycling of product components. With the expansion of its global presence and the broad structure of the organization, the GRAMMER Group is also supporting this message internationally.

In the 2025 reporting year, GRAMMER further developed its sustainability activities in the context of increasing regulatory requirements, global economic uncertainties and structural changes within the Group. The ongoing implementation of the European sustainability reporting (CSRD) and new requirements along the supply chain have further strengthened the systematic anchoring of sustainability in processes, structures, and decision-making mechanisms.

A particular focus in the reporting year was on the further development of internal governance (control and regulation) structures. The organizational realignment of the sustainability function and its closer integration with compliance and risk management processes are helping to integrate environmental and social issues even more closely into business decisions. At the same time, existing objectives were reviewed, prioritized, and, where necessary, adapted to changed organizational and regulatory conditions.

GRAMMER has also consistently pursued its long-term strategy in the area of climate and resource protection. In addition to the ongoing reduction of emissions in its own business activities, the focus is increasingly shifting to upstream and downstream stages of the value chain. The systematic recording

and evaluation of Scope 3 emissions forms a central basis for defining realistic, measurable, and effective reduction paths. In addition, GRAMMER is intensifying its activities to promote the circular economy, sustainable product design and the use of resource-saving materials.

Another focus in the reporting year was strengthening human rights and environmental due diligence along the supply chain. Through risk-based supplier monitoring, clear requirements for business partners, and transparent processes for risk identification and management, GRAMMER helps to identify and minimize potential negative impacts at an early stage. At the same time, the company increasingly sees sustainability as a joint task that can only be successfully implemented in dialogue with employees, suppliers, customers, and other stakeholders.

The positive results of our initiatives to promote sustainability are reflected in improved external ratings. In the 2025 reporting year, our EcoVadis score increased from 71 to 75 out of 100 points.

1. Sustainability at GRAMMER

GRAMMER Group, based in Ursensollen (Germany), is a global company that operates in two business segments: GRAMMER develops and produces high-quality interior components and systems and innovative thermoplastic components for the global automotive industry. GRAMMER is a full-service provider of driver and passenger seats for trucks, trains, buses and off-road vehicles. We are committed to sustainability and have embedded its economic, social and ecological principles in our corporate guidelines.

We aspire to make thinking and acting sustainably an integral part of the company's DNA. For us, taking responsibility for people, society and the environment means not burdening people and nature as much as possible and promoting their ability to regenerate. We take the interests of all our stakeholders into account, support our employees and have implemented a standardized ISO-certified environmental management system for all our locations worldwide. By the end of 2025, more than two-thirds of our global sites have introduced an ISO-certified energy management system and almost 90% of our global sites have introduced an ISO-certified occupational health and safety management system. We are aiming to implement the occupational health and safety management system globally by the end of 2026, and the energy management system is to be integrated across all GRAMMER locations by the end of 2027.

1.1 Organizational structure of sustainability

In 2025, GRAMMER underwent a change in its organizational structure. The internal CSR team was reorganized and assigned to the Group Compliance department. In view of the dynamic changes in EU regulations as part of the Omnibus procedure, the Circular Economy Action Plan, the impact on the product portfolio, and the increasing focus of regulations on product compliance, GRAMMER expects this reorganization to add value to its sustainability function.

The CSR team is in regular contact with all cross-group functions in order to support them in implementing the topic-specific goals for which they are responsible. In addition, regular communication serves to take the dynamic requirements of the market into account when developing a continuous improvement process and to develop proposals for the corresponding process adjustments.

The CSR team supports the contact persons in the respective GRAMMER plants in each region (EMEA, AMERICAS, and APAC) from various departments, such as Human Resources, Production, Quality, and others, in the implementation and execution of CSR requirements.

An important tool for exchange between the CSR team and other key functions is the CSR Council, whose members include the Executive Board as well as regional representatives and senior managers below the Executive Board level:

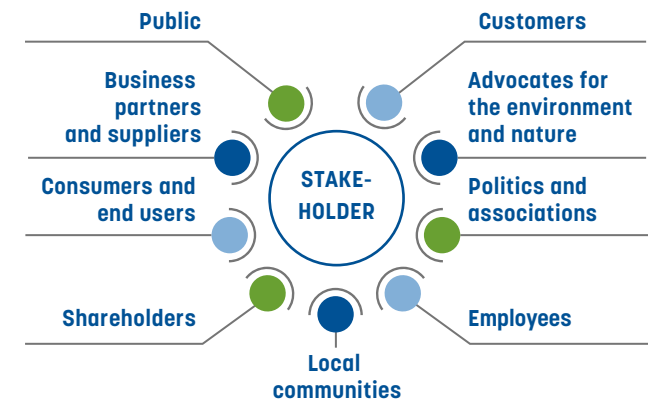
- Research and Development
- Legal
- Compliance
- Controlling
- Finance
- Accounting
- Investor Relations
- HR
- Production
- Supply Chain Management
- Quality
- Health, Security and Environmental Management
- IT
- Marketing and Communication
- Sales
- Data Protection

The CSR Council ensures that sustainability is firmly embedded in the corporate strategy and is continuously developed in accordance with legal requirements. The units represented on the CSR Council are responsible for implementing the strategic CSR objectives.

These objectives are part of the company-wide "Sustainable Company" initiative. Targets have been set for five action areas that are to be achieved in the medium and long term: energy and resource efficiency, efficient use of materials, waste avoidance and recycling, reduction of emissions and the development of sustainable products.

1.2 Inclusion of all stakeholders

It is particularly important for GRAMMER to engage in dialogue with its various stakeholders, such as employees, customers, and suppliers, and to take their perspectives into account. Communication with our stakeholders takes place directly through the respective departments and divisions. The results of these dialogues are recorded and can be accessed in order to respond to external inquiries or communicate messages from the company to the public. Since GRAMMER maintains very close communication with its stakeholders, the expectations of the various groups can also be taken into account in the materiality analysis and the resulting sustainability concepts (see section 1.3, p. 49-50).



1.3 Materiality analysis

In preparation for the CSRD, we updated the materiality analysis conducted for the first time in 2024 in accordance with the European Sustainability Reporting Standards (ESRS) in 2025. Based on the concept of double materiality, significant positive and negative impacts on people and the environment as well as risks and opportunities for GRAMMER were analyzed along the entire value chain. A total of 18 material topics were identified.

The basis for identifying material aspects was the topics covered by the ESRS standards in the areas of environment, social affairs, and corporate governance (ESG), as well as GRAMMER's business model, value chain, and stakeholders. When assessing the materiality of the individual aspects, the previously assigned

potentially relevant impacts, risks, and opportunities (IROs) were taken into account. The assessment was carried out in accordance with the requirements of the ESRS. GRAMMER applied a two-stage assessment approach:

1. Evaluation by subject matter experts, taking into account the perspective of stakeholder groups affected by IROs
2. Validation by functional experts, taking into account the perspective of users of sustainability information

All steps and results were documented and validated. After a final plausibility check, the Executive Board was informed of the results and approved them. The material topics identified serve as a guide for current and future efforts to promote sustainable practices. They also form the basis for our non-financial reporting.

The materiality analysis is to be updated annually from now on. The results have been linked to risk management and will be incorporated into the risk management system.

As part of the update of the materiality analysis at the beginning of 2026, the aspects of "water," "biological diversity and ecosystems," and "information-related impacts for consumers and/or end users" were no longer classified as material compared to the previous year. New key issues identified were "Communities: Economic, social, and cultural rights" and "Animal welfare". GRAMMER will formulate a strategic approach to these topics in fiscal year 2026 and will report on the corresponding developments in its next sustainability report.

Environmental (E)	Social (S)	Governance (G)
Energy ✓	Working conditions of the company's own workforce ✓	Corporate culture ✓
Climate change mitigation (emissions) ✓	Equal treatment and equal opportunities for the company's own workforce ✓	Animal welfare ✓
Climate change adaption ✓	Other work-related rights in the company ✓	Management of relationships with suppliers ✓
Air, water and soil pollution ✓	Working conditions in the value chain ✓	Corruption and bribery ✓
Circular economy: Resource flows and use ✓	Equal treatment and opportunities for all in the value chain ✓	
Circular economy: Waste ✓	Other work-related rights in the value chain ✓	
	Communities: Economic, social, and cultural rights	
	Personal safety of consumers and/or end users ✓	

✓ The topic was already material for GRAMMER.

1.4 Risk assessment of non-financial matters

Entrepreneurial activity involves risks and opportunities. We have defined various risk policy principles in our strategy. In terms of risk management, we understand risks and opportunities to be possible positive or negative deviations from a business plan defined under uncertainty. Risk management thus contributes to value-oriented corporate management. To avoid risks, we have established a uniform, group-wide risk management system. This process enables risks to be identified, analyzed, and evaluated at an early stage, and measures to be taken to control and reduce them.

We address fundamental risks that could affect individual non-financial issues, particularly in the area of environmental risks, with the help of our management systems in accordance with ISO 14001 (environmental management) and ISO 50001 (energy management), among other measures. Since 2024, our risk management system has also been adapted to the requirements of the German Supply Chain Due Diligence Act (LkSG).

In the context of the double materiality analysis, GRAMMER also addressed the financial risks associated with the material ESG topics. This was done as part of the analysis of impacts, risks, and opportunities (IROs) specified by the ESRS.

The resulting material risks and possible negative impacts on non-financial matters, which in turn may give rise to risks, are presented in the following table.

Risks

Non-financial aspect	Material topic	Actual/potential negative impacts	IRO type	Risks and negative impacts
Cross-cutting issues	Animal welfare	Potential	Negative impact	Harm to animal welfare (including killing or injuring animals) for the production or extraction of materials (e.g. leather goods for seats and center consoles)
Cross-cutting issues	Supplier management, including payment practices	Potential	Negative impact	Negative effects on the economic stability of (especially small) suppliers and their employees due to late payment of supplier invoices beyond the contractually agreed deadline
Cross-cutting issues	Supplier management, including payment practices	–	Risk	Risk of losing suppliers due to a loss of reputation and penalties caused by late payment of invoices to suppliers and other stakeholders
Environmental issues	Climate change adaptation	–	Risk	Decrease of company value and confidence of investors and lenders due to lack of climate adaptation planning and ensuring economic stability and flexible value chains even in climate crises
Environmental issues	Climate change adaptation	–	Risk	Increased costs for investments or repairs due to changes in climatic conditions (e.g. thermal insulation, green roofs, flood protection) or for portfolio adjustments
Environmental issues	Climate change adaptation	–	Risk	Business interruptions due to environmental disasters (e.g. floods, droughts, forest fires, hurricanes)
Environmental issues	Climate change adaptation	–	Risk	Reduced production due to employees being affected by extreme weather events (heat waves, storms, flooding)
Environmental issues	Climate change adaptation	–	Risk	High investment costs/renovation of buildings, facilities, etc. due to emission-related transition risks (taxation/scarcity of fossil fuels, e.g. CO ₂ tax, coal phase-out, electrification of the fleet)
Environmental issues	Climate protection	Actual	Negative impact	Contribution to global warming/climate crisis through the emission of greenhouse gases in connection with the use of energy (e.g. for product manufacture or use, foam welding for seats, metal frame welding for seats, or plastic molding for armrests and center consoles)

Non-financial aspect	Material topic	Actual/potential negative impacts	IRO type	Risks and negative impacts
Environmental issues	Climate protection	Actual	Negative impact	Contribution to global warming/climate crisis through greenhouse gas emissions from the operation of vehicles and means of transportation (ships, trains, planes, car; employee travels etc.)
Environmental issues	Climate protection	Actual	Negative impact	Contribution to global warming/climate crisis through the extraction of raw materials (e.g. steel and aluminum for seat frames, leather, plastics, polyurethane, etc.)
Environmental issues	Climate protection	Actual	Negative impact	Contribution to global warming/climate crisis through emissions of greenhouse gases from combustion processes and chemical reactions (excluding transportation) (e.g. for the production of polyurethane foam for seating, surface treatment and coating of metal frames, curing for interior components or in the context of waste incineration)
Environmental issues	Climate protection	Actual	Negative impact	Contribution to global warming/climate crisis through greenhouse gas emissions as a consequence of energy-intensive waste disposal practices.
Environmental issues	Energy	Actual	Negative impact	High use of energy (electricity, heat (gas) and thus strain on the environment and natural resources in the production of products/ materials (e.g. metal frame welding for seats)
Environmental issues	Energy	Actual	Negative impact	Environmental impact and reduction of natural resources through high use of fuels for vehicle fleets and transportation which come from conventional energy sources
Environmental issues	Energy	Actual	Negative impact	Use of non-renewable energies and thus burdening the environment and natural resources as well as promoting resource scarcity in our own operations
Environmental issues	Energy	-	Risk	Increase in energy costs or fuel costs due to price increases and associated financial disadvantages (directly in own operations, indirectly in the purchase price of products)
Environmental issues	Energy	-	Risk	Higher product prices due to rising energy costs in the upstream value chain and own production, leading to a competitive disadvantage.
Environmental issues	Environmental pollution	Actual	Negative impact	Environmental pollution caused by raw material extraction, production processes and transportation as part of combustion processes (e.g. NOx in diesel engines)
Environmental issues	Environmental Pollution	Actual	Negative impact	Environmental pollution in the event of environmental contamination due to improper handling of wastewater and chemicals/ or accidents (e.g. oil (used in seat frame welding machines), polyurethane chemicals, refrigerants) in the production

Non-financial aspect	Material topic	Actual/potential negative impacts	IRO type	Risks and negative impacts
Environmental issues	Ressource utilization	Actual	Negative impact	Increased resource consumption through "linear" or conventional product design (e.g. limited reparability of armrests and center consoles, limited reusability, insufficient recycling options for the materials like foam, textiles, and plastics used) and through the use of non-renewable raw materials
Environmental issues	Ressource utilization	–	Risk	Limited availability and cost increase for raw materials due to scarcity of non-renewable resources or due to scarcity of renewable resources
Environmental issues	Waste	Actual	Negative impact	Environmental pollution caused by the generation of waste due to the usage of non-recyclable packaging material
Environmental issues	Waste	Actual	Negative impact	(Excessive) Waste generation increased due to (inadequate) disposal (methods) by supplier or own operations (e.g. production scrap from foam for seats is sent to landfill or incinerated instead of being recycled)
Environmental issues	Waste	–	Risk	Costs due to fines for potential improper waste disposal
Employee issues, social issues, and respect for human rights	Working conditions	Actual	Negative impact	Negative effects on health (fitness, stress, burnout) due to long working hours and a lack of work-life balance
Employee issues, social issues, and respect for human rights	Working conditions	Actual	Negative impact	Health hazards (including accidents, illness and death) due to lack or failure of health protection / non-implementation of safe working conditions
Employee issues, social issues, and respect for human rights	Working conditions	Actual	Negative impact	Additional workload and additional stress for employees in the event of high employee turnover (e.g. due to stress caused by job insecurity or increased workload)
Employee issues, social issues, and respect for human rights	Working conditions	–	Risk	Costs increase due to rising wage and benefit levels due to competition for talent
Employee issues, social issues, and respect for human rights	Equal treatment and equal opportunities	Actual	Negative impact	Financial insecurity, reduced career opportunities, declining job satisfaction and insufficient retirement savings due to a gender pay gap among employees

Non-financial aspect	Material topic	Actual/potential negative impacts	IRO type	Risks and negative impacts
Employee issues, social issues, and respect for human rights	Equal treatment and equal opportunities	Actual	Negative impact	Impairment of career opportunities with an impact on lifestyle, economic situation and health due to discrimination and inequality in promotion and development (also with regard to training and further education opportunities)
Employee issues, social issues, and respect for human rights	Equal treatment and equal opportunities	Actual	Negative impact	Violation of employee rights and (psychological) stress or physical harm due to discrimination, inequality or physical harassment based on certain characteristics (e.g. discrimination against people with disabilities)
Employee issues, social issues, and respect for human rights	Equal treatment and equal opportunities	Potential	Negative impact	Physical and emotional harm of employees due to violence and harassment in the workplace
Employee issues, social issues, and respect for human rights	Other work-related rights	Potential	Negative impact	Damage to health and safety of employees and worsening working conditions through human rights violations such as modern slavery (child labor/violation of the protection of minors, forced labor)
Employee issues, social issues, and respect for human rights	Other work-related rights	Potential	Negative impact	Health hazards due to inhumane accommodation (lack of hygiene, insufficient space, lack of access to sanitary facilities)
Employee issues, social issues, and respect for human rights	Working conditions in the value chain	Actual	Negative impact	Negative impact on workers' health (fitness, stress, burnout) due to long working hours and lack of work-life balance
Employee issues, social issues, and respect for human rights	Working conditions in the value chain	Actual	Negative impact	Health hazards (including accidents, illness and death) due to a lack of health protection and safety for workers (e.g. with metal welding machinery) or from the sale of defective products that could endanger workers
Employee issues, social issues, and respect for human rights	Equal treatment and equal opportunities in the value chain	Actual	Negative impact	Discrimination and declining workers satisfaction due to a gender pay gap among the workforce
Employee issues, social issues, and respect for human rights	Equal treatment and equal opportunities in the value chain	Actual	Negative impact	(Psychological) stress and violation of workers' rights due to discrimination and inequality (e.g. discrimination against people with disabilities or on the basis of certain characteristics) for workers
Employee issues, social issues, and respect for human rights	Other work-related rights in the value chain	Potential	Negative impact	Violation of human rights through modern slavery (child labor, forced labor)

Non-financial aspect	Material topic	Actual/potential negative impacts	IRO type	Risks and negative impacts
Employee issues, social issues, and respect for human rights	Other work-related rights in the value chain	Potential	Negative impact	Endangerment of physical and mental health through unworthy accommodation (lack of hygiene, insufficient space, lack of access to sanitary facilities) for workers
Employee issues, social issues, and respect for human rights	Other work-related rights in the value chain	–	Risk	Costs due to fines or compensation payments due to modern slavery (child labor, forced labor) among supply chain workers
Employee issues, social issues, and respect for human rights	Other work-related rights in the value chain	–	Risk	Reputational risks, costs due to fines or compensation payments for inhumane accommodation (lack of hygiene, insufficient space, lack of access to sanitary facilities) for workers
Employee issues, social issues, and respect for human rights	Economic, social, and cultural rights	Potential	Negative impact	Adverse impacts on the landscapes of local communities (including wear and tear or visual impacts), e.g. due to material extraction activities
Employee issues, social issues, and respect for human rights	Economic, social, and cultural rights	Potential	Negative impact	Deterioration of health and environmental conditions of local communities (access to clean water, air pollution, etc.) e.g. due to extraction of natural resources such as steel or aluminum on or near their land
Employee issues, social issues, and respect for human rights	Corporate culture	–	Risk	Reputational damage and increased costs caused by penalties due to unethical behavior towards workers and/or inadequate grievance structures
Combating corruption and bribery	Corruption and bribery	–	Risk	Reputational risks and reduction in company value if part of the value chain is located in countries with an increased risk of corruption, as the risk of corruption increases for the entire company.














Note: Significant risks and negative impacts were assigned to the issues in accordance with Sections 289c and 315c of the German Commercial Code (HGB).

The risk analysis of our own business areas and supply chains as part of the materiality analysis is based on the existing risk management system, which maps the identified sustainability risks. A presentation of the risks associated with non-financial issues can also be found in the opportunities and risks report in the management report (see section 3. in the 2025 Annual Report, p. 32). Differences between the opportunities and risks report and the results of the double materiality analysis may arise in part from differing evaluation methods, for example with regard to gross/net valuation and different time horizons.

1.5 Support for the UN Sustainable Development Goals

As a globally active company, GRAMMER actively contributes to the achievement of the Global Sustainability Goals. Adopted in 2015, the United Nations' Sustainable Development Goals (SDGs) comprise 17 objectives aimed at making the world more

sustainable and fairer by 2030. To highlight the relevance of the SDGs and to make our contribution visible, we are focusing on five subject areas and their goals to which we can contribute as a company:

SDGs	Aspects of relevance for the GRAMMER Group	Material aspects	Non-financial aspects	Goals
	 Responsible corporate governance	Corporate culture Corruption and bribery Animal welfare	Cross-cutting issue, particularly anti-corruption	<ul style="list-style-type: none"> Integration of compliance and ethics training participation rates into the bonus system in 2026
 	 Products	Information-related impacts for consumers and/or end users Personal safety of consumers and/or end users Circular economy: resource flows and use	Environmental concerns, social concerns	<ul style="list-style-type: none"> Increased efficiency and process optimization through expanded know-how Intensification and continuation of product development and sustainable materials
 	 Environment	Energy, climate change mitigation Climate change adaptation Air, water and soil pollution Circular economy: waste	Environmental concerns	<ul style="list-style-type: none"> Minus 100% CO₂ emissions by 2040 (base year 2019) for Scope 1 and 2 Ongoing transition to 100% green electricity at all locations Global implementation of ISO 50001 by the end of 2027 Maximizing the recycling rate for waste by 2040 (> 95%)
	 Supply chain	Working conditions in the value chain Equal treatment and equal opportunities for all in the value chain Other labor-related rights in the value chain Management of relationships with suppliers	Cross-cutting issue, relates to all non-financial aspects	<ul style="list-style-type: none"> 20% reduction in CO₂ emissions in the supply chain (upstream) by 2030 (base year 2021) Sustainable suppliers: 60% of our suppliers confirm our Supplier Code of Conduct by 2026 Transparency and controlling of our suppliers' compliance with human rights and environmental due diligence obligations Whistleblower system for internal and external use
 	 Employees and community	Working conditions Equal treatment/non-discrimination Other work-related rights in the company Corporate citizenship ¹ Communities: Economic, social, and cultural rights	Employee matters, social concerns	<ul style="list-style-type: none"> Increasing the share of women in top management (20%) Global implementation of ISO 45001 by the end of 2026 Continually reduce the lost time injury frequency rate (LTIFR) – target: 1.9% LTIFR for 2026 Strengthening and promoting voluntary commitment of employees worldwide Training: Ø 12 hours per employee (administration) per year until 2030

¹ No material aspect; reporting is voluntary.

In the fiscal year 2025, GRAMMER reorganized its sustainability activities at the Group level (CSR team). As part of this reorganization and the sale of the TMD Group, existing targets were reviewed and reassessed in terms of their prioritization and organizational and procedural requirements. In this context, individual targets originally planned for 2025 were postponed to 2026 or 2027. The postponement serves to ensure a robust definition of targets, a clear allocation of responsibilities, and consistent achievement of objectives.

Following the sale and deconsolidation of the TMD Group in September 2024, the GRAMMER Group's financial and non-financial key figures were retroactively adjusted to exclude the discontinued operations of the TMD Group. This ensures comparability between the figures for 2024 and 2025.

1.6 Ratings

ESG (Environment, Social, Governance) rating agencies are key players in the capital market and form an important basis for sustainable investment decisions. Most providers make their rating and ranking results publicly available. For investors, these serve as a transparent and complementary decision-making aid. At the same time, customer expectations of companies with regard to certain rating results are continuously rising.



At EcoVadis, one of the leading providers of ESG ratings, the result improved to 75 (previously 71) out of 100 points. This puts us among the top 15% of the companies assessed. At NQC (an assessment tool for suppliers in the automotive supply chain), we consistently achieve a high

rating of over 80%, meaning that GRAMMER meets the requirements of many customers for awarding contracts.

2. Responsible corporate governance

As a global Group, we have an obligation to the rules and ethical requirements of markets, countries and regions. In addition, our corporate culture is characterized by values that guide our business activities and accompany our employees on a daily basis. These values include the protection of human rights, outlawing child and forced labor, anti-corruption, professional data protection and information security.

We use clear and open communication to create transparency - for our employees, our customers, our suppliers and shareholders. It is important to us to balance the interests of our stakeholders and to maintain a respectful approach. In this way we are creating the deep-seated trust that is required for our business success and our corporate culture.

2.1 Corporate culture

GRAMMER stands for a corporate culture that promotes employee responsibility and cultivates integrity as a prerequisite for trusting relationships. Our shared values provide orientation and form the foundation for responsible corporate governance as well as a pleasant and successful working relationship. A lack of shared values, an inadequate corporate culture or a missing or unprotected whistleblower system could contribute to a reduced level of employee identification with GRAMMER and the risk of legal violations, which would exacerbate problems and result in higher damages due to loss of reputation and legal proceedings. Instead, our corporate culture provides our employees with a greater sense of well-being, identification and orientation in a safe working environment.

Our corporate culture is designed to contribute to employee satisfaction and long-term business success. After all, employees who enjoy coming to work and feel comfortable and safe in the workplace are the basis for creativity, innovation and corporate success. That is why we want to maintain and further increase the satisfaction and commitment of our employees.

Our strategic approach

All managers and department heads, together with the "Group Human Resources" (Group HR), are responsible for employee matters and for maintaining the corporate culture. Along with management, Group HR is also responsible for the development of employees into specialists or managers and helps them to develop their respective strengths in their job. Various offers and benefits promote the satisfaction of GRAMMER employees. The "MyLife@GRAMMER" program also supports employees in all life situations.

GRAMMER's corporate culture (Way of Working = WoW) is based on the principles of trust, respect, collaboration and leadership. The WoW CODE stands for Collaboration, Openness, Drive and Empowerment. Together with the Group Human Resources Strategy, our corporate culture accompanies and supports our corporate strategy and is consistently linked to our sustainability concepts. This connection stems from the fact that sustainability at GRAMMER is based primarily on the responsible actions of our employees - from climate protection and resource use to due diligence in the supply chain and respect for human rights. It is precisely these behaviors that are specifically reinforced by the GRAMMER CODE and by leadership and WoW training.

**Collaboration**

We support each other to achieve our common goals as one team.

**Openness**

We communicate in a timely, transparent and respectful manner.

**Drive**

We are always working with energy, speed and the dedication to deliver.

**Empowerment**

We enable employees to take ownership.

TRUST & RESPECT

The four CODE principles create the framework for respectful and trusting interactions. Various, sometimes mandatory, training courses, coaching sessions and workshops for management and employees help to ensure that the principles are put into practice throughout the company and that the culture of mutual appreciation continues to grow.

To ensure the continuous development of our corporate culture, another global internal employee survey was conducted in December 2025. With a good overall score of 73 out of 100 points – an improvement of 2% over the previous year – the results show a positive trend across all survey categories. The participation rate of 74%, which is higher than in the previous year, also underscores the high level of interest among our employees in actively shaping our corporate culture.

Other cornerstones of our corporate culture are also laid out in the [GRAMMER Code of Conduct](#), which is binding for all employees worldwide and is reviewed annually. The Code of Conduct was approved by the Executive Board and is the responsibility of the Chief Compliance Officer (CCO) (see section 2.2, p. 58-59).

If GRAMMER employees or external parties suspect misconduct or a violation of laws or internal guidelines, they can report this via our digital whistleblower system - anonymously and in several languages (see section 2.2, p. 58-59).

WoW training sessions

The WoW Culture training is an integral part of our programs for developing leaders (“Way of Leading”), project managers and experts. The WoW training offering is rounded off by a mandatory e-learning for all new employees. All WoW training courses

were conducted by internal WoW trainers: employees who volunteered to be trained in the WoW methodology.

Annual WoW CODE awards

Since 2022, we have been presenting the WoW CODE awards annually. This is an award for GRAMMER employees worldwide who excel in the four categories of Collaboration, Openness, Drive and Empowerment. The competition was held again in 2025. After evaluating the submissions, the winners were determined and honored by the Executive Board during an online ceremony in December 2025.

Outlook

In 2026, we will continue to train employees to become WoW methodology trainers. In addition, WoW Culture training courses will remain an integral part of the management development programs in all three regions. By further developing our GRAMMER CODE, we are strengthening a results-oriented corporate culture that focuses on responsibility, transparency, and consistent implementation, thereby effectively supporting the successful implementation of our corporate strategy.

2.2 Combating corruption and bribery

Compliance with national laws and international regulations is of fundamental importance for safeguarding GRAMMER’s business activities. GRAMMER pursues a zero-tolerance policy towards corruption and bribery. We are committed to the principles of integrity, fairness, honesty and tolerance in business dealings and do not tolerate any behavior that involves unfair business practices.

Our employees must comply with the legal provisions on prohibited actions involving the direct or indirect offer, promise, granting, solicitation or receipt of money or other benefits with the intent and expectation of an unfair competitive advantage. Particularly strict standards are applied when working with public officials or public institutions.

As part of our value chain is located in countries with an increased risk of corruption, the risk of corruption increases for the entire company, which can be accompanied by reputational risks and a reduction in the company's value. We can counteract this risk in particular through a variety of preventive measures as well as careful monitoring and the strict, consistent remediation of possible cases of corruption.

Our strategic approach

We are committed to conducting our business in an ethical and lawful manner. Our strategy includes implementing a robust compliance program that includes clear policies and procedures, regular employee training and a mechanism for reporting potential violations without fear of retaliation (whistleblowing process). We also ensure that our business practices comply with all relevant laws and regulations in the countries in which we operate.

The aim of our compliance management is to guarantee the effectiveness and viability of our company by respecting the legal provisions. Violations are detected and penalized. The CCO is primarily responsible for handling and coordinating compliance issues across the group and reports directly to the Executive Board. Moreover, the COO also reports regularly to the Audit Committee of the GRAMMER Group. The multidisciplinary Incident Response Committee (IRC), which is independent of the Executive Board and consists of representatives from the Compliance, Legal, HR and Internal Audit departments, is responsible for assessing and handling information received on breaches of compliance. This committee ensures objectivity, fairness, appropriateness and comparability in the handling of information and internal investigations.

All GRAMMER employees are obliged to behave accordingly. The [GRAMMER Code of Conduct](#) is available to all employees in eleven languages on the intranet and is binding. All new employees are informed about the Code of Conduct and it is explained to them

in training. In addition, internal guidelines on compliance, anti-trust law and the internal guidelines on grants, donations and sponsorship as well as conflicts of interest, which were revised in 2024, contain corresponding binding provisions. Besides the mandatory compliance training for all employees, the GRAMMER Academy offers an interactive training on anti-corruption and anti-bribery, in which employees are trained to recognize corruption and bribery risks and take countermeasures at an early stage.

In 2025, despite numerous internal changes and macroeconomic challenges, we achieved a training participation rate of 86%. Unfortunately, this meant that we did not quite meet our target of a participation rate of over 90%.

Whistleblower system

Employees and external stakeholders can report suspicious cases via a [digital whistleblower system](#) - both anonymously and in various languages. Alternatively, there is the option to make contact via a Compliance e-mail inbox and to communicate in person, by phone or by mail in accordance with EU and German whistleblowing legislation. GRAMMER is subject to EU and German whistleblower protection legislation. All information is treated in strict confidence and the whistleblower is protected under all circumstances from retaliation or discrimination based on their report.

Following thorough verification, incoming compliance complaints are investigated and, if a suspicion is confirmed and a breach has taken place, appropriate measures are taken. A comprehensive process has been established in order to follow up on all reports effectively, neutrally and professionally. The main responsibility for this lies with the CCO. In addition, there is a multidisciplinary body, the Incident Response Committee (IRC), which is independent of the Executive Board. This Committee monitors the process and, in serious cases, determines how to proceed with the investigation. In the event

of a serious breach, the Executive Board makes the final decision on the consequences. In less serious cases, the respective plant/site management, company management or regional management is responsible for this decision. All decisions are documented.

There were no confirmed cases of corruption in the entire GRAMMER Group in the 2025 reporting year.

Outlook

Due to the tense economic situation, internal cost-cutting measures have led to the postponement of external certification of the compliance management system.

GOAL

- In 2026, participation rates in compliance and ethics training will be integrated into the bonus system in order to further reinforce the importance of integrity and ethical behavior.

2.3 Data protection and information security

The protection of data and information is essential for GRAMMER, as it represents a valuable asset for our company. The protection of personal data of our employees, customers and business partners is a top priority and is subject to strict legal requirements, including the General Data Protection Regulation (GDPR) and the German Data Protection Act (Bundesdatenschutzgesetz – BDSG). The violation of the right to the protection of business data or the loss of customer data (e.g. as a result of a cyber attack) has negative consequences, e.g. for the privacy of customers. This poses a risk to the Company in terms of loss of trust and revenue as well as possible fines. The protection of business-critical information and IT systems is therefore of central importance to protect our company from material and immaterial damage. In order to meet these requirements, we pursue a comprehensive strategy for data protection and information security that is based on international standards.

Our strategic approach

GRAMMER has established high data protection and security standards worldwide. The data protection department is part of the compliance organization and reports to the Chief Compliance Officer (CCO). External data protection officers are appointed in countries where this is mandatory. The legal requirements are implemented in the respective specialist departments, which are supported by compliance and external experts. The employees in the data protection organization respond to inquiries and implement appropriate solutions. At the same time, our information security management system (ISMS) protects all business-relevant data, regardless of whether it is stored digitally, on paper or in any other form. It is based on, among others, the ISO/IEC 27000 series and the Trusted Information Security Assessment Exchange (TISAX) automotive standard.

IT security plays a central role here: Modern protection mechanisms, regular IT security tests and authorization checks help to identify vulnerabilities at an early stage and prevent cyberattacks. An external service provider also monitors our IT security infrastructure, while specific security zone and authorization concepts at all locations ensure the physical protection of sensitive information. Access is controlled using key cards or keys.

We pay particular attention to raising awareness among our employees, as they often pose the greatest security risk - usually through unintentional misconduct. We expect our employees to respect our customers' and business partners' business secrets - and to protect industrial property rights, business secrets and other confidential company information against unauthorized disclosure. All employees are responsible for ensuring that appropriate information security is guaranteed at all times within their area of responsibility. They are supported in this by established processes, guidelines and regular trainings. Managers are responsible for implementing the regulations of the integrated management system and carrying out security measures. Mandatory training courses on data protection and

information security are an integral part of our compliance training concept. In 2025, 1,553 employees completed a training on data protection. In addition, 2,073 employees took part in compliance training. We also use targeted measures to identify phishing campaigns.

Responsibility for data protection and information security is clearly structured: The data protection department and the Chief Information Security Officer (CISO) set the guidelines. The CISO reports directly to the Executive Board. The practical implementation of IT security is the responsibility of the IT department, which reports regularly to the Chief Financial Officer (CFO) and the Supervisory Board.

Certifications and continuous improvement

GRAMMER undergoes external audits and certifications to ensure the highest safety standards. TISAX certifications with the label "handling of information with very high protection requirements" have been successfully implemented for all production sites that have a supply relationship with automotive manufacturers. An extension of the label to include "prototype protection" has been successfully completed. Certifications are also becoming increasingly important in the area of data protection in order to demonstrate legal compliance and strengthen the trust of our stakeholders.

In the area of cyber resilience, global processes are standardized and regularly tested as part of crisis management. Experience gained from actual incidents is systematically incorporated into improvement measures.

Outlook

In fiscal year 2026, the organization will focus on consistently strengthening global governance structures by rolling out harmonized cybersecurity processes and strictly implementing NIS2 requirements. The finalization of TISAX prototype protection and the integration of country-specific compliance requirements will ensure that specific protection needs and interna-

tional legal standards are met. The further development of the data protection management system, particularly with regard to systematic deletion concepts, will ensure scalable and legally compliant data processing. These technical and procedural optimizations will be accompanied by in-depth training programs to anchor risk competence among the workforce at a high level on a sustainable basis.

3. Products

GRAMMER attaches great importance to the sustainability of its products along their lifecycle - from development and production to use and recycling. Key criteria include climate-, environment- and resource-friendly product developments and innovations as well as the use of sustainable and recycled materials. Furthermore, the safety and ergonomics of our products must be guaranteed for end users.

Our seating systems and interior products are currently produced and sold at 42 production and logistics facilities around the world. Roughly 530 engineers and R&D employees work at 9 international locations with the aim of continuously enhancing the environmental compatibility, ergonomics, safety, functionality, quality and aesthetics of GRAMMER products. The Group is capable of developing products with state-of-the-art tools and systems - from simulating characteristics using state-of-the-art test facilities to practical testing and prototyping. Smaller research and development teams are located in GRAMMER's own plants as well.

Non-capitalizable R&D expenses amounted to EUR 60.0 million in the 2026 financial year (previous year: EUR 72.8 million), representing 3.3% of total revenue (previous year: 3.8%). Also, development costs of EUR 3.8 million (previous year: EUR 7.4 million) were capitalized in fixed assets. In 2025, the Group-wide number of property rights (patents, designs, and utility models) registered and granted across the group was 1,961 (previous year: 2,004).

3.1 Customer health and safety

Every day, roughly ten million people around the world use seats, headrests and consoles produced by GRAMMER – most of them at work: As professional drivers, they drive trucks, buses, agricultural machinery, construction vehicles or forklifts, often for hours at a time, five days a week. GRAMMER products accompany people not only at work, but also in their private lives: In many cars around the world, they ensure a particularly comfortable and safe ride. We deliver what matters: forward-looking mobile comfort and maximum safety. Wherever people are traveling in vehicles, our products are designed to ensure a high level of safety, comfort, and ergonomics.

Our primary goal is to ensure that users of GRAMMER products feel safe, comfortable and healthy. Inadequate product safety can have a significant impact on the health and well-being of users. This is also accompanied by risks for the Group (e.g. loss of trust, loss of revenue, fines), especially if safety-relevant information on critical components such as airbags were not clearly labeled. That is why we place particular emphasis on the ergonomics, comfort, safety and sustainability of our products.

Our strategic approach

The product experience is largely shaped by the subjective perception of users. This “perceived quality” remains the guiding principle of our product development. With regard to global megatrends – including electrification and digitalization, a growing world population and urbanization, as well as sustainability and climate change – we develop solutions that balance safety and environmental requirements with changing customer needs. Our holistic approach ensures that not only our products but also the surrounding systems are analyzed and optimized to offer drivers the best possible overall solution.

For systematic alignment, we structure requirements according to their contribution to the user experience. First, we ensure that essential fundamentals are in place: uncompromising product

safety, compliance with standards and laws, clear labeling of safety-related information, and robust and reliable functionality throughout the entire service life. Building on this, we improve features that users directly perceive and evaluate in everyday life—in particular, comfort, ergonomics, usability, and durability. In addition, we develop targeted functions that exceed expectations and create additional value, for example, through intelligent assistance and comfort solutions.

Our interdisciplinary development teams define usage requirements, derive solution concepts from them, and ensure their implementation based on clear quality criteria. The guiding principle here is “first time right”: requirements are specified at an early stage, risks are addressed proactively, and solutions are designed to function reliably right from the start. Experience from local road tests, direct customer feedback, and insights from the ever-growing global demands for a safe, modern, and comfortable working environment are systematically incorporated into further development.

Ergonomic products

Our suspension seats for commercial vehicles meet the highest ergonomic standards. They offer drivers optimal support, maximum freedom of movement, and reduce vibration stress to prevent back problems. In addition, they help reduce fatigue, relieve strain on the musculoskeletal system (especially the neck, shoulder, and forearm areas), and promote healthy sitting posture and blood circulation—factors that can support concentration and responsiveness.

The same applies to our interfaces for multifunctional armrests and cabins: their ergonomic design relieves strain on the spine and forearms, improves concentration, and increases safety even under very demanding working conditions. Our headrests for cars protect the cervical spine in accidents and offer individual height and adjustment options. Overall, the functionality

and reliability of our products contribute to the safety and well-being of users.

In 2025, we pursued several development strands in parallel in order to further expand safe, ergonomic, and at the same time economical solutions. In the aftermarket, the new MSG297/S2900 seat was introduced under the name XT2. In addition, we developed a semi-active suspension with controlled dampers. To further increase the cost-effectiveness of our products, we tested various innovative approaches – without compromising on ergonomics, comfort, or safety. We also further optimized and, in some cases, redesigned electronic components. In addition, we significantly advanced and successfully tested software-based approaches to expand functions and make them more robust and user-oriented. In addition, we investigated the use of our suspension technologies in passenger cars, including in the context of anti-kinetosis systems. At the same time, we continued to promote the use of sustainable materials (see section 3.2, p. 62-64) without compromising the advantages achieved in terms of ergonomics, comfort, and safety.

In order to optimize our interior products, we conducted an extensive study in 2024 on changing requirements in vehicle interiors. Scenarios such as driving itself, working while driving, break times, and eating in the vehicle were examined in practical tests with test subjects. The findings provide valuable insights for the ergonomic and kinematic adaptation of the center console in order to tailor our products even better to customer needs and increase driving safety.

Outlook

For 2025, we will continue to focus on developing safety- and application-oriented solutions. Our products should not only create functional added value, but also emotional and social added value by making end users feel safe and comfortable when using GRAMMER products and by ensuring that the products are accessible and usable for everyone. In addition, we are investing

in selected features that improve the user experience beyond expectations and create additional benefits, such as intelligent assistance and comfort solutions.

GOALS

- We remain committed to our mission of promoting the health, safety, and comfort of our customers. Our goal is to develop innovative and economically attractive products that impress with their user experience and everyday practicality. Product safety and user-friendliness are our focus – supported by the principle of “first time right.”
- Our goal remains to ensure that neither end consumers nor GRAMMER itself suffer any damage as a result of product safety incidents. Prevention, clear information on safety-critical components, and robust development and quality processes are our top priorities.

3.2 Resource use

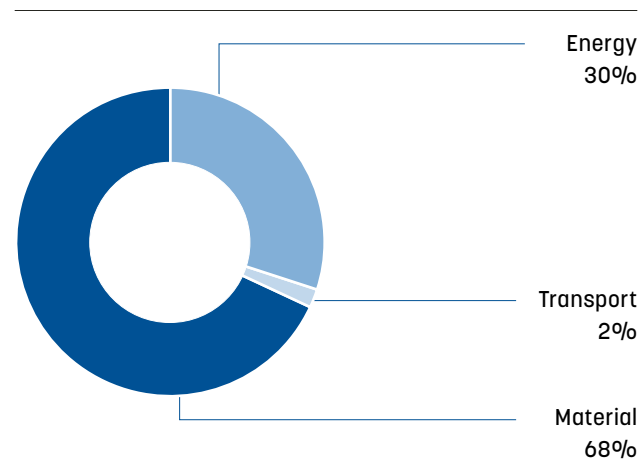
Sustainable product development is an important component of GRAMMER's "Sustainable Company" strategic initiative. This also includes topics such as the reduction of CO₂ emissions along the entire value chain and circular economy, which is increasingly being demanded by our customers and is linked to specific requirements. We want to meet these requirements with innovative and sustainable product solutions. We offer our customers environmentally friendly alternatives and make a contribution to climate, environmental and resource protection.

The choice of materials is an important lever for reducing CO₂ emissions. Depending on the product, 60% to 75% of emissions are caused by the materials used and the product design. To conserve natural resources and protect the climate, GRAMMER ensures that the raw materials used come from sustainable sources wherever possible and that suppliers comply with environmental and social standards throughout the entire supply chain (see section 5, p. 68-71). The use of animal materials, especially leather for seat covers, can pose potential risks to ani-

mal welfare and violate animal protection laws, for example with regard to husbandry conditions, transport, or slaughter practices.

The use of sustainable materials presents numerous challenges. Their availability is often uncertain, which can make it difficult to secure sufficient quantities. In addition, the current EU End-of-Life Vehicles Directive (Directive 2000/53/EC of the European Parliament and of the Council) requires the use of a minimum amount of recycled materials from automotive waste (automotive closed loop). However, there is currently a lack of suitable supply chains for this. In addition, extensive testing is required, as the material properties of recycled materials are often not comparable to those of virgin materials. Furthermore, additional research and certification capacities are needed. This results in risks for GRAMMER due to raw material shortages and increased costs. At the same time, however, sustainable materials and supply chains also offer opportunities: the further expansion of our expertise in this area can represent a competitive advantage. In addition, GRAMMER can make a positive contribution to resource conservation and environmental protection through recyclable product design and the use of recyclable materials within the framework of the circular economy.

Our strategic approach



GRAMMER strives to minimize the environmental and climate impact of its products and materials along the entire value chain. Our measures are aimed at reducing the negative effects from extraction and processing through to the use of the finished product and the end of its life cycle. That is why we are working hard to use recycled and recyclable materials. By designing products with the circular economy in mind, we are reducing the need to procure new materials and raw materials.

At GRAMMER, the Materials and Sustainability department in the Research and Development division is responsible for the comprehensive testing of new materials. Its work focuses on developing product approaches to reduce CO₂ emissions. To prepare the life cycle assessment of our products, we use the LCA for Experts (formerly Gabi) software from Sphera, which has established itself as the industry standard. From the beginning of 2025, the life cycle assessments of our products will be certified by an accredited expert in accordance with our customers' requirements. Initiatives such as Catena-x also standardize the rules for determining the CO₂ footprint (PCF – Product Carbon Footprint). This enables precise and comparable recording of real CO₂ emission data across the entire value chain. GRAMMER actively participates in such initiatives.

We pay attention to sustainable materials and technologies for reducing CO₂ emissions right from the early stages of product development. However, customer material specifications and predefined suppliers limit flexibility in supplier selection.

Sustainable and recycled materials

GRAMMER primarily uses plastics, PUR foams, and steel in the manufacture of its products. These materials are CO₂-intensive to produce. However, customer specifications do not currently allow for the widespread use of alternatives made from renewable raw materials and recycled materials. In the steel sector, the increase in the proportion of steel scrap in selected, non-safety-relevant steel products has been analyzed in order to reduce the CO₂ footprint in the future. In the medium term, GRAMMER is working with its suppliers to use steel from the

electric arc furnace (EAF) process and, later, also from the direct reduced iron (DRI) process. These two processes are alternatives to the conventional blast furnace process in steel production and offer potential savings in CO₂ emissions of 35% to 60%.

In cooperation with our suppliers and customers, we are gradually increasing the proportion of recycled material in our products. Depending on customer specifications and the material, this varies between 25% and 75%. A patented system for attaching the center console to the vehicle floor has been developed. This allows materials with a high proportion of recycled content to be used in safety-relevant components. Since the end of 2024, GRAMMER has also been participating in the "Bio-2Foam" project, which is funded by the German Federal Ministry of Education and Research (BMBF). The aim is to produce the foam component polyol from sugar cane waste. Since mid-2025, GRAMMER has also been investigating newer processes such as mechanical recycling of polyurethane waste, from which new polyurethane components can be produced, as well as various chemical recycling processes.

Traceability of material flows in the value chain

GRAMMER uses the international material data system IMDS to manage environmentally relevant material data and track material flows in the automotive industry. In addition, we require our suppliers to comply with the extended purchasing conditions and code of conduct with regard to environmental protection, human rights, auditability, and the responsibility of sub-suppliers. A particular focus is on the exclusion of conflict minerals in order to prevent the financing of armed conflicts and human rights violations (see section 5.1, p. 68-70). Digital product passports (DPPs) are used to systematically collect and exchange product

and supply chain-related data along the entire value chain. They enable all stakeholders – including consumers – to gain a deeper understanding of the materials used and their associated environmental impacts. Digital product passports are a mandatory part of the European Commission's new Ecodesign Regulation for Sustainable Products (ESPR) and a key measure in the Circular Economy Action Plan (CEAP). GRAMMER is working intensively on this topic.

Efficiency of materials

The economical use of materials in the manufacture of products also conserves natural resources and protects the climate. For example, we are reducing adhesive consumption through new plant technology and mixing systems. The consumption of the chemicals polyol and isocyanate for the manufacture of foam parts is also being reduced through our own formulations and recipes and more precise mold filling. Another measure is the return of scrap parts and sprue residues to the injection molding process (closed-loop recycling).

Our "Global Cutter" project has been implemented at six production sites (Atibaia, Queretaro, Tetla, Trudovetz, Aleksinac, and Changchun) since 2023. The aim of the project is to tap into potential for material and production cost savings by purchasing new cutting machines for leather, vinyl, and fabrics, while at the same time reducing our CO₂ emissions. Three new machines have already been purchased and installed in 2023 and 2024. This has enabled us to achieve the following results:

Investment volume (one-time): €1.3 million

Material savings (annual): €1.3 million

Production savings (annual): €400,000

CO₂ emissions savings (annual): 2,000 tCO₂e

Light-weight construction

By reducing the weight of our seats, center consoles, armrests and headrests, we are contributing to climate protection. Less material does more than conserve resources: By reducing vehicle weight, our customers reduce fuel consumption when driving and thus also greenhouse gas emissions. We reduce weight through function integration, which means fewer components are required. Another approach is to substitute metal die-cast components by using high-performance plastics.

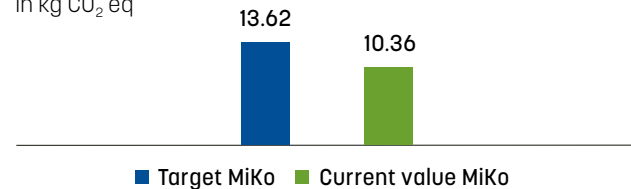
Development of circular products

GRAMMER's "Design for Recycling" approach makes it possible to design products in such a way that they can be disassembled into their individual parts at the end of their service life. This can be achieved, for example, by reducing the variety of materials in the product. This leads to greater recyclability, which in turn makes it possible to reduce the amount of waste.

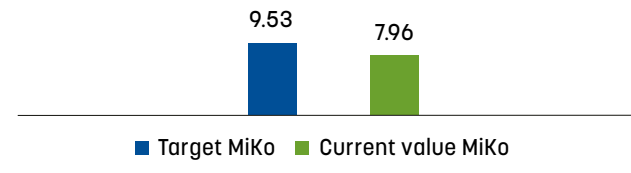
In 2025, based on studies conducted to date on the recyclability of center consoles and the design guidelines derived from them, we developed a new center console and, after successful validation, put it into series production. In addition to reducing the CO₂ footprint, a strong focus was placed on the topic of "Design for Recycling." Early in the development phase, care was taken during the design process to ensure that the center console could be easily disassembled by type at the end of the vehicle's life cycle and fed into the circular economy. Design measures such as connection technology for easier disassembly and lightweight construction through wall thickness reduction were implemented. When selecting materials, those with a lower carbon footprint (PCF) and a high recycled content (at least 30%) were used, which are also suitable for interior applications and thus meet the strict odor and emission requirements. Furthermore, the variety of materials was reduced, significantly exceeding our customers' targets.

- CO₂ target value achieved: 10.3 kgCO₂e
- Weight target achieved: 8 kg
- Recyclate content target achieved: 33%

CO₂ status
in kg CO₂ eq



Weight status
in kg



Outlook

In 2025, we will continue to identify the components with the highest CO₂ emissions in production and examine whether they can be manufactured using alternative materials with a lower CO₂ footprint. We will continuously test new materials and recyclates from different manufacturing processes in order to increase the proportion of sustainable materials in GRAMMER products.

In product development, we will focus primarily on sustainable product design, increased recyclability (> 75%) of products at the end of their life cycle and the optimization of our manu-

facturing processes. We are working on obtaining additional primary data for the calculation and preparation of carbon footprints.

3.3 Innovations

Mobility is changing due to trends such as climate-friendly and autonomous driving, which are accompanied by increasing demands from customers and vehicle manufacturers on suppliers. New vehicle concepts, drive types, automation levels and higher occupant protection requirements are shaping product development. In order to remain profitable in the long term, GRAMMER must recognize trends early on, react quickly and offer innovative solutions.

The vehicle interiors are becoming a distinguishing feature for our customers and are being massively upgraded. State-of-the-art materials, uncluttered architecture and hidden technology are key criteria. Center consoles, for example, are becoming the central element in vehicles. Digitalization is increasing the share of electronics and the complexity of products. At the same time, short development cycles are required to ensure that innovations are to be ready in time for series production. Moreover, there is high-cost pressure that requires innovations through intelligent approaches as well as modularization and standardization in order to be able to offer customers cost-effective solutions. Close customer contact helps us to identify and implement early on.

Our strategic approach

Innovation projects are to be found in the Automotive area and in the Commercial Vehicles area. There are projects at product level - for example for new functions, materials or to improve ergonomics and comfort - and process innovations, such as in the use of new materials and optimized materials processing.

In conjunction with the innovation management process, we produce roadmaps that address both customer- and market-driven issues as well as the implementation of new technologies in existing products. This is all overseen by "Research and Development". Innovation projects are regularly discussed by various panels with representatives from the Sales, Strategy and Product Management business areas. Ideas are also presented at customer events and feedback is incorporated.

Next-generation adaptive center consoles and driver seats

Further progress was made on several innovation projects in 2025:

- For the center console, the focus is on integrating new functions with the aim of offering our customers near-series and adaptable solutions for their products. Our strategy is based on a modular center console equipped with functional storage systems and additional storage space. These adaptations are geared towards the needs of passengers, with a focus on practical use and comfort.
- In the area of driver and passenger seats, we are continuously working on new concepts for suspensions as well as for subordinate modules, assemblies and components to further improve comfort, ergonomics and safety in agricultural and construction machinery, industrial trucks, trucks and trains.
- Among other things, we have developed and designed new headrests and center consoles that can be produced with a high degree of automation. These advances enable us to produce more efficiently while ensuring the quality and reliability of our products.
- In the area of loudspeaker covers, we have created new design possibilities for our customers through the development and redevelopment of technologies in plastic and stainless steel.

Outlook

GRAMMER will continue to adhere to its roadmap in the coming year and push ahead with strategic innovation projects. These include increasing modularity and reducing complexity across all product groups. By redesigning existing products, we are developing new, market-oriented solutions for our customers.

4. Environment

GRAMMER Group takes responsibility for the environment and pursues a holistic approach. Active environmental protection and the responsible use of resources have been defined as important goals in the corporate guidelines. The aspiration: We want to reduce business-related environmental impacts as much as possible. To this end, processes along the entire value chain are continuously analyzed and optimized to improve energy efficiency, reduce emissions and avoid environmental pollution. We also reduce the amount of waste and water consumption and take care to preserve biodiversity.

The success of our environmental activities is regularly reviewed - both internally and with the support of external partners. All of our sites worldwide have already implemented an environmental management system in accordance with ISO 14001 and defined site-specific environmental targets and measures.

Overall responsibility for environmental management lies with the "Group Quality & HSE" department, which reports to the Executive Board. This unit develops strategic guidelines for environmental protection for the entire Group. An environmental manager is appointed at each location to implement the measures.

4.1 Climate change

As a global production company, GRAMMER consumes energy along the entire value chain and thus contributes to climate change by emitting greenhouse gases. To slow climate change, we support the 1.5-degree target of the Paris Climate Agreement and are committed to significantly reducing our CO₂ emissions worldwide.

Reducing carbon dioxide emissions presents us with challenges: The CO₂ targets set by legislators in different countries or by customers are inconsistent, so companies are required to take a high degree of initiative. Non-compliance with CO₂ targets entails certain risks such as loss of revenue or a decline in company value due to a weakened competitive position, changes in customer behavior or higher capital market costs. Rising energy and fuel prices can also lead to financial burdens - directly through higher operating costs and indirectly through higher purchase prices for products. Environmental disasters and extreme weather events are already affecting production and transportation, which requires additional investment and relocation.

However, the increased CO₂ requirements are also leading to a surge in innovation in the automotive industry, which represents an important opportunity for GRAMMER. Efficiency measures, energy savings and the development of a low-CO₂ product range can lead to a reduction in greenhouse gas emissions, as can the use of renewable energies. Through these measures, we are taking responsibility as a company and helping to protect the climate. This also has a positive effect on our attractiveness to customers and applicants.

Our strategic approach

We work with various processes and methods to identify significant climate-related impacts, risks and opportunities. This

enables us to create a sound basis for strategic decisions and the sustainable orientation of our company.

In order to determine the impact of our business activities on climate change, we have been calculating the greenhouse gas emissions of our sites in accordance with the Greenhouse Gas Protocol (GHG Protocol) since 2019. This includes the determination of emissions in Scope 1 and 2. Scope 1 includes direct emissions that arise, for example, from our own energy generation or the production process. Scope 2 comprises indirect emissions, for example from the use of purchased electricity and district heating.

Since 2021, we have also been calculating our Scope 3 emissions with external support. This includes, for example, purchased (pre-) products, business travel and logistics processes. To determine the CO₂ emissions within our supply chain, we query the CO₂ footprint of our suppliers. In preparation for the CSRD, we calculated Scope 1 and Scope 2 emissions for 2025 on both a market-based and location-based basis. We will publish a detailed presentation of the emission reductions on this basis in our next report.

GRAMMER has already achieved the target of reducing its total CO₂ emissions in Scope 1 and 2 by 25% by 2025. The further target is to reduce CO₂ emissions (Scope 1 and 2) by 100% by 2040 compared to the base year 2019. To this end, energy efficiency has been increased by 10% by 2025 compared to 2019. In addition, 49% of all production sites have switched to 100% electricity from renewable sources with corresponding certificates. A further 10% of production plants have partially completed the switch. CO₂ emissions in the upstream supply chain are also to be reduced, by 20% by 2030 compared to the base year 2021.

In order to achieve our emissions targets and control energy consumption worldwide, GRAMMER works with a certified energy management system in accordance with ISO 50001, which we will introduce at all production sites by the end of 2027. This will enable energy consumption to be monitored, analyzed and reduced through targeted measures. As of December 31, 2025, 67% of all production sites and all German sites have already been certified in accordance with ISO 50001.

We derive individual energy savings targets for each plant from the global targets for the GRAMMER Group: All production sites must implement the energy roadmap on a mandatory basis. The regions each have a manager for energy matters, and the plants are also supported by energy management officers.

Under the coordination of the CSR unit, all departments at GRAMMER are involved in the topics of energy consumption and CO₂ emissions. In addition, there are working groups on various topics such as energy efficiency, sustainable procurement and sustainable materials. The "Materials & Sustainability" team within "Research and Development" is responsible for calculating the carbon footprint of GRAMMER products.

Conducting a climate risk analysis

In 2024, GRAMMER conducted a climate risk analysis to assess physical risks, transition risks and opportunities against the backdrop of various climate scenarios. The physical risks were analyzed based on the vulnerability of GRAMMER sites and the supply chain, considering various climate models. The transition risks and opportunities were analyzed with regard to social and economic change towards a lower-carbon future, with a focus on the product portfolio, production sites and dependence on suppliers.

Physical risks for GRAMMER arise from climate-related risks such as heat stress, flooding, heavy precipitation, hydrological

fluctuations and storms, which can reduce the efficiency of machinery, disrupt operations and cause damage to assets. Transition risks include rising costs due to higher CO₂ prices, the procurement of sustainable materials and the possible need to refurbish buildings. In addition, early depreciation of tangible assets may become necessary due to technological changes and there is an increasing need for qualified personnel to implement new products and technologies as well as for administrative and reporting processes. For GRAMMER, however, there are also opportunities arising from potential revenue growth due to changes in market preferences and lower capital costs as a result of access to green financial instruments.

Measures to reduce CO₂ emissions and energy consumption

In order to identify energy waste and compare the status of our technology, we have been working with an energy monitoring system and are conducting potential analyses since 2020. The potential analyses have already been completed at all locations and are repeated annually. First potential savings have been identified, e.g. for machines and systems in standby mode, even though they were not needed at the time.

A plant-specific measurement and the available material consumption data make it possible to improve and compare efficiency with other plants. Around two thirds of our production sites are equipped with smart meters to measure energy consumption in detail. In many facilities, we have switched to energy-saving LED lighting and purchased energy-efficient machines such as injection molding machines and boilers. In some cases, roofs were renovated and insulated to use less energy for heating and cooling. Compared to the previous year, CO₂ emissions per EUR/revenue were reduced by 30.72%.

By increasing the use of electricity from renewable sources, we were able to further reduce our Scope 2 emissions compared to

the previous year. In addition, various campaigns and training courses were held at all locations in 2025 to raise awareness among GRAMMER employees about the economical and responsible use of energy. In addition, energy savings were achieved through measures such as the use of new, more efficient equipment, the modernization of heating systems, and the establishment of power on-off management.

In 2025, the "Top 100 Green Supplier Program" project, for which we have already sent our top 100 suppliers a contract, has replaced the previous "Nomination Tree" project to achieve a higher CO₂ reduction in our upstream value chain as well (see section 5.1, p. 68-70).

Outlook

By the end of 2027, the ISO 50001 energy management system, including energy monitoring, is to be introduced at all GRAMMER production sites worldwide. GRAMMER will continue to work on increasing its energy efficiency in the coming years, including by introducing the energy management system at additional plants. Furthermore, potential analyses in the energy sector will be continued with a view to reducing electricity and energy consumption, and action days will be held on the topics of waste heat utilization and environmentally friendly mobility.

The CO₂ reduction targets will continue to be pursued and the purchase of green electricity at our locations worldwide will be continuously increased. In 2026, GRAMMER will once again take a close look at its climate protection targets in conjunction with the Science Based Targets initiative (SBTi). In addition, CO₂ emissions during the use phase of our products are to be further reduced. We see the greatest leverage in lightweight construction, which saves fuel during vehicle operation (see section 3.2, p. 62-64).

GOALS

- Reduction of CO₂ emissions (Scope 1 and 2) by 100% by 2040 compared to the base year 2019
 - By the end of 2026: Definition of an emission reduction target for 2030 for Scope 1 and Scope 2 based on emission calculations in accordance with ERSR standards (market-based and location-based)
 - Continuation of the gradual transition to 100% green electricity at all locations worldwide
 - Reduction of CO₂ emissions in the supply chain (upstream) by 20% by 2030 compared to the base year 2021
-

4.2 Environmental pollution

As a manufacturing company, environmental protection is of central importance to GRAMMER along the entire value chain. Our aim is to keep our own operational environmental impact and that of our suppliers and business partners as low as possible.

Environmental pollution occurs during the extraction of raw materials by suppliers, during our own production processes and during the transportation of products. For example, our own production processes can release nitrogen oxides and volatile organic compounds during processes such as foaming, painting and waste incineration. Pollutants can also be released into the soil through landfilling and improper handling of wastewater and chemicals. Higher investment and modernization costs due to stricter legal requirements pose a risk for GRAMMER.

Our strategic approach

We have introduced a company-wide process based on ISO 14001 to identify and assess environmental impacts and risks. This is applied across the entire product life cycle for all GRAMMER Group companies worldwide as well as for upstream suppliers and parties in the downstream value chain. GRAMMER also requests

its suppliers to implement an environmental management system in accordance with ISO 14001 and stipulates in the Supplier Code of Conduct that negative impacts on soil, water and air are to be avoided.

The basis of our strategic environmental management is consistent compliance with all relevant laws and regulations. We also rely on cooperation with authorities, NGOs and other stakeholders such as GRAMMER employees regarding environmental protection. Other cooperation partners include universities, consulting firms and cooperatives. Our environmental and energy guidelines contain elements for avoiding environmental pollution. These include responsible land use, including the preservation of soil quality, the avoidance of air pollutants, the preservation of air quality in all production processes and the water-friendly discharge of unavoidable wastewater. In addition, safe disposal of GRAMMER products is to be ensured.

To reduce air pollution, new chemicals and technologies are regularly introduced to reduce and prevent emissions. In addition, we use water-based adhesives instead of solvent-based adhesives and do not use thinners, which also leads to a reduction in air pollution. The implementation of these measures has not yet been completed. Furthermore, low-emission gas burners have already been installed at various GRAMMER Group production sites to reduce nitrogen oxides.

Outlook

In 2026, we will continue to work on reducing our negative environmental impact along the entire value chain and consistently comply with legal requirements.

4.3 Waste

Waste has a negative impact on the environment – on soil, water and air. GRAMMER therefore tries to avoid waste as much as possible. An increased volume of waste at our sites, especially in countries without a circular economy system where recyclable waste is disposed of in landfills or incinerated, leads to

environmental impacts. While Germany has well-developed recovery and recycling facilities, landfilling is often the only option in countries such as Turkey, Bulgaria and Mexico. Also, illegal disposal poses a risk and has a negative impact on the environment. To reduce waste and disposal costs, the development of innovative packaging systems, e.g. made from recycled materials that can be reused in a closed material cycle, is an opportunity for GRAMMER.

GRAMMER makes every effort to recycle or otherwise utilize unavoidable waste. If the materials are returned to the material cycle, this also conserves natural resources. Only after all recycling options have been exhausted is our waste properly disposed.

Our strategic approach

At GRAMMER, we want to reduce waste worldwide, minimize hazardous waste materials, increase the recycling of waste and ensure that appropriate disposal and recycling methods are used. The topic of waste is part of the strategic initiative "Sustainable Company" and is also considered in the environmental management system, which is already certified according to ISO 14001 at all GRAMMER locations. We regularly audit our waste disposal and prepare annual waste reports to derive measures for optimization.

All our waste flows are analyzed to ensure the highest level of recycling. Contracts are concluded with certified waste disposal companies to ensure recycling and avoid the disposal of waste in landfills. In particular, the way in which we design our products has an impact on the amount of waste generated at the end of the product's life. We therefore follow the "Design for Recycling" approach to reduce the amount of waste (see section 3.2, p. 62-64). For our internal packaging, we have also launched a global improvement program. Particular attention has been given to reduction, reuse and recyclability.

Plastic waste and hazardous waste reduced

In 2025, we continued to improve our waste management through various measures. In the area of packaging, we have ensured that 100% of the polyethylene bags that we receive from our suppliers as packaging material are reused for transportation within our sites. In addition, the amount of packaging used for internal transportation and plastic waste has been reduced, while the share of recyclable packaging materials has been increased. GRAMMER Group's recycling rate in 2025 was 85.41% (previous year: 85.73%). The share of waste that was disposed of in landfills or incinerated was 14.59% in 2025 (previous year: 14.27%).

To reduce the amount of hazardous waste, we have reduced the use of hazardous chemicals in production. At the same time, we avoid disposing of hazardous waste in landfills. The total amount of waste fell by 10.84%. In 2025, waste reporting was further specified. A distinction is now made between hazardous and non-hazardous waste in the categories "Recycling," "Landfill," and "Thermal Waste."

Outlook

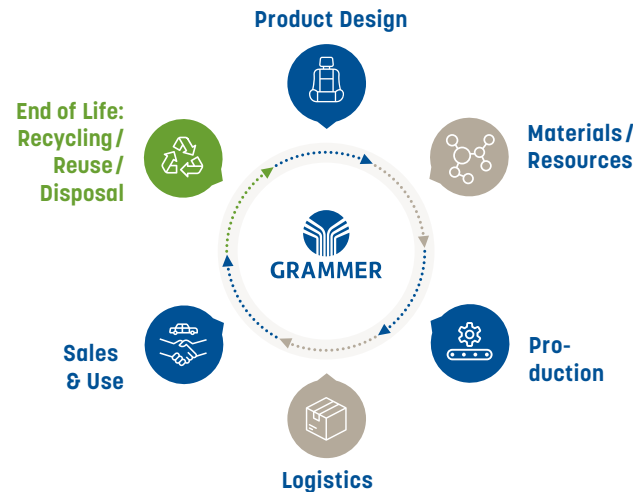
The long-term goal is to eliminate landfill and incineration by 2040, while recycling the majority of our waste.

GOALS

- Maximizing the recycling rate for waste by 2040 (> 95%)
- Reduction of the landfill rate to 0% by 2040
- Reduction of the incineration rate to 0% by 2040

5. Supply chain

GRAMMER's suppliers, service providers and partners are an important part of the value chain. And their business activities also have an impact on the environment, people and society. GRAMMER takes responsibility beyond the boundaries of its own factory walls - and is making its supply chain sustainable: We expect all suppliers, service providers and partners to meet the same high environmental and social standards as we do. These include fair working conditions, respect for human rights, the reduction of CO₂ emissions, energy-efficient production and the avoidance of waste.



5.1 Supplier management

As a manufacturing company, GRAMMER is dependent on a global network of suppliers. For example, suppliers provide us with commodities, raw materials, parts, packaging, technology, tools and various services. To ensure sustainability not only within our own company, but also along our supply chain, we ensure that suppliers live up to our environmental and social standards.

Ongoing conflicts in Ukraine and the Middle East, attacks in the Suez Canal/Red Sea region, climatic impacts (e.g., low water levels in the Panama Canal/German rivers), and political events such as export bans on rare earths or the dispute over Nexperia continue to pose challenges in the supply chain. This can lead to suppliers making decisions that are detrimental to environmental and social standards. The German Supply Chain Due Diligence Act (LkSG) can counteract this and create transparency in preparation for the upcoming Corporate Sustainability Due Diligence Directive (CSDDD) at the European level. We see an opportunity in our digital structure and supporting tools, which can be used to efficiently manage risk management and CSR issues in the supply chain.

The extraction and processing of natural raw materials such as steel or aluminum can also have potential negative impacts on local communities in the upstream value chain. These impacts relate in particular to environmental and health conditions, such as access to clean water, air quality, and the handling of emissions and waste in regions close to raw material sources. GRAMMER has identified these potential impacts as part of its double materiality analysis. The further development of a strategic approach and the definition of concrete measures and targets to address these risks in the supply chain are currently in preparation and are to be further developed from 2026 onwards.

A trusting relationship with our partners promotes our innovative strength and further cooperation, especially in times of crisis. Our reputation as a trustworthy partner and the satisfaction of our suppliers are crucial in this respect. If this is no longer the case, this leads to a significant risk for GRAMMER. We are also aware that the economic stability and ability of our suppliers to pay their employees can be directly influenced, both positively and negatively, by our timely payment. It is therefore important to GRAMMER to comply with all agreed payment terms as part of our trusting cooperation.

Our strategic approach

In order to manage sustainability in our supply chain, GRAMMER works with a [Supplier Code of Conduct](#). It covers all relevant sustainability criteria, as well as legal requirements, ethical and international standards and the requirements of our value system. The Supplier Code of Conduct has been a component of every digital supplier RFQ (request for quote) since 2017 and was expanded in 2023 to give even more weight to the issues of fair working conditions and human rights. New suppliers must sign it electronically before submitting an offer. In doing so, they commit to fight child and forced labor, to pay their employees fairly and to protect the environment, among other things. The Supplier Code of Conduct can be always accessed by all business partners on the digital supplier portal.

GRAMMER uses its digital procurement platform to update supplier data annually and to have suppliers confirm compliance with the CSR guidelines, which are set out in the Code of Conduct and in contracts with General Terms and Conditions (GTCs). Their compliance is monitored at regular intervals through self-assessments and as part of annual supplier meetings. A separate position has been created for this purpose, which is supported by the relevant category managers. Where necessary, we help our suppliers with further development - or part ways with suppliers who do not live up to our environmental and social standards. Suppliers are digitally informed of relevant changes, such as new requirements.

We use a digital risk management system to constantly monitor geopolitical events and their impact on the supply chain. In addition, we have implemented a software for sustainability issues that also fully covers the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG). Suppliers must answer standardized questionnaires concerning the environment, anti-corruption, human rights, working conditions and responsibility in the supply chain and, if applicable, provide evidence for their answers with certificates. The system evaluates this information and certificates independently to perform an assessment of the supplier. If necessary, possible countermeasures are subsequently defined within GRAMMER and documented in the system.

GRAMMER's supplier management goes far beyond the legal requirements and makes a positive contribution to a sustainable supply chain. Suppliers sign our specifications and guidelines, and CO₂ emissions are already queried during the award process. We are gradually replacing disposable packaging with reusable packaging. In addition, we want to reduce our Scope 3 emissions in the upstream value chain with the "Green Electricity Contract" project. So far, the contract has been sent to our top 100 suppliers. The project is a core component of our "Top 100 Green Supplier Program" initiative and replaced our previous "Nomination Tree" project at the beginning of 2025, as it enables us to achieve a greater reduction in CO₂ emissions.

The Sustainable Supplier Management Officer is responsible for introducing, ensuring and complying with the relevant sustainability issues in the supply chain. He is aided by several employees; the team works closely with the CSR department.

Responsible payment practices

We are committed to ensuring a strong and trusting relationship with our suppliers, especially in times of crisis, as our procurement practices and payment terms can have a significant impact on our suppliers. We strive to pay our suppliers on time, to maintain an open communication and to treat them with respect.

Unless otherwise agreed in writing, GRAMMER shall make payments within the maximum period permitted by law from receipt of a contractual, defect-free service and a proper, verifiable invoice. However, in the event of acceptance of premature services, the payment period shall commence at the earliest on the agreed delivery date. This applies to all our suppliers.

Implementation of the German Supply Chain Due Diligence Act (LkSG)

In 2022, GRAMMER introduced the ESG risk management platform "Integrity Next" and created a reporting structure to receive supplier data for the German Supply Chain Due Diligence Act (LkSG). In 2024, the platform held a webinar for all suppliers on how to complete the questionnaires correctly. The number of suppliers who have registered to answer the questions has increased since then. The ESG platform has also been integrated into our existing digital SCM landscape of e-procurement & SCM risk management systems. The results are incorporated into the procurement information. In addition, the Risk Management department conducted employee training courses worldwide on potential risks and possible measures in our own business area.

Besides the introduction of the ESG system to comply with the German Supply Chain Due Diligence Act (LkSG), we have also developed an internal SCM risk matrix. This specifies how we act in the case of violations, from minor to serious ones, and which specialist departments must be involved when to comply with the requisite escalation stages. The matrix and its definition were developed on the basis of the GRAMMER Group's global risk management system. Cases that go beyond SCM are then also passed on to central risk management to define global measures, if appropriate.

GRAMMER includes both its own plants and those of its suppliers in its risk analysis. With regard to our suppliers, the focus this year and last year was on suppliers with a high country and industry risk, while in 2023 the focus was on German suppliers with a high risk status. In 2025, there were no incidents in our risk analysis across the entire value chain.

Outlook

In the coming years, GRAMMER will create even greater transparency regarding compliance with environmental and social standards in its supply chain in accordance with the German Supply Chain Due Diligence Act (LkSG) and further improve sustainability. Among other things, CO₂ emissions within the global upstream supply chain are to be reduced by 20% by 2030 compared to the base year 2021 (see section 4.1, p. 65-67).

In addition, future invitations to suppliers will be brought forward in the contract award process to identify supplier issues or gaps at an early stage.

GOALS

- 60% of suppliers worldwide accept the GRAMMER Supplier Code of Conduct by the end of 2026
 - Reduction of CO₂ emissions within the global upstream supply chain by 20% by 2030 compared to the base line year 2021.
-

5.2 Working conditions and human rights

Fair working conditions and respect for human rights are not just essential for a healthy work environment for GRAMMER's employees all over the world and along the entire supply chain. They also foster trust in our company among customers and the public at large. GRAMMER is aware of its responsibility - and ensures that human rights are respected within the company and along its supply chain.

One of the biggest risks for internationally operating companies is that they do not have absolute control over the upstream and

downstream supply chains. Local law does not always comply with international human rights standards, which can lead to discrimination, abuses or modern slavery. In addition to human rights violations, the resulting reputational damage and loss of company value pose a high risk for GRAMMER.

At the same time, there are many opportunities for companies to shape and improve working conditions within their own operations. This includes, for example, implementing a management system for occupational health and safety or creating more attractive working conditions to attract and retain qualified employees. Increased employee satisfaction can also boost efficiency and production output.

Our strategic approach

GRAMMER is committed to the core labor standards defined by the International Labor Organization (ILO) and the United Nations Universal Declaration of Human Rights. To emphasize its commitment to fair working conditions, GRAMMER has published a [Declaration of Principles on Respect for Human Rights](#), which can be viewed on the website. With this declaration of principles, we commit ourselves to strengthening the respect for human rights within our own operations and along our value chain and to preventing human rights violations. It is regularly reviewed, adapted and further developed. In addition, our [Code of Conduct for Employees](#) (see section 6.1, p. 71-72) regulates, among other things, conduct with regard to human rights and child and forced labor. The Code of Conduct applies to the entire Group.

In addition, we are introducing a management system for occupational health and safety in accordance with ISO 45001 at all plants worldwide, thus ensuring fair and safe working conditions within the company (see section 6.1, p. 71-72)

Digital risk management system

To manage the supply chain with regard to sustainability issues and to create transparency, GRAMMER works with a digital ESG risk management platform that requests queries on all relevant sustainability issues, including evidence, and generates a supplier rating.

As part of our human rights risk management and due diligence process (see section 5.1, p. 68-70), we regularly assess the risks of human rights violations in our supply chain. The results of the risk analysis are then used to derive and implement preventive measures to minimize and avoid risks. A Human Rights Officer position was created in 2023 to oversee risk management, including the review of risk analysis and the appropriateness of the measures taken. She reports directly to the GRAMMER Executive Board.

Our guidelines for the GRAMMER Group, such as our [Supplier Code of Conduct](#), were developed based on the results of the risk analysis and international standards. By signing this code, suppliers commit to adhere to our environmental and social standards and to pass them on to their suppliers. This is being monitored using our ESG risk management software. The updated Supplier Code of Conduct is available on the GRAMMER website together with the Code of Conduct since January 2023.

A complaints mechanism has also been implemented: Employees and external stakeholders can anonymously report violations of our standards via a whistleblower system. A position has been set up in the legal department for this purpose, which contacts the SCM Governance & Processes department in the event of reports from suppliers. An interdisciplinary team comprising Compliance, Legal, Human Resources and the Executive Board

is responsible for consistently and systematically following up on reports and taking appropriate action where necessary (see section 2.2, p. 58-59). In accordance with our Supplier Code of Conduct, suppliers should establish a comparable reporting capability within their own operations and supply chain.

An interdisciplinary team comprising members from CSR, Compliance, Legal and Supply Chain Management reviews all relevant cases identified in our ESG risk platform "Integrity Next". This covers our own production sites and our suppliers. In the event of deviations or violations by suppliers, a mechanism in our ESG system documents and implements appropriate measures.

Since 2022, we have also introduced a mandatory e-learning course on compliance, including human rights issues. Its content is reviewed and developed on a regular basis.

Outlook

The occupational health and safety certification of all GRAMMER plants in accordance with ISO 45001 will be completed by the end of 2026. The current certification rate is 89%. In addition, 60% of our suppliers should have accepted our Supplier Code of Conduct by the end of 2026.

GOALS

- Certification of all GRAMMER plants according to ISO 45001 by the end of 2026
- 60% of our suppliers accept our Supplier Code of Conduct by the end of 2026

6. Employees and community

GRAMMER owes its success as a company above all to the performance and commitment of its global team. With great personal dedication, around 12,000 GRAMMER employees worldwide develop and produce solutions and innovations that make the mobility of millions of people safer, more comfortable and more sustainable. That is why we attach great importance to ensuring that employees feel comfortable at GRAMMER - and that everyone has the same opportunities to develop their potential. Responsibility as a corporate citizen is also an important part of our sustainability concept. GRAMMER therefore supports social and cultural initiatives around the world.

6.1 Working conditions and other work-related rights

GRAMMER sees qualified, motivated and healthy employees as the basis for sustainable success. With a combination of continuous skills development, global occupational health and safety standards and health promotion, the company creates a safe and future-oriented working environment. The focus is on promoting individual skills and ensuring the health of the workforce. To build a trusting relationship with our employees from the start, we approach our applicants with transparent communication and responsible handling of their data.

Respecting the rights of our employees is also of central importance to us. The violation of employee rights or a breach of data protection could lead to financial and reputational risks. Competition for talent on the labor market and generally rising wage and benefit levels, which result in higher costs for GRAMMER, also pose a challenge. Appropriate working conditions are therefore essential for GRAMMER and represent an important opportunity to increase employee satisfaction and performance at

GRAMMER. This not only benefits our reputation and profitability but also promotes a future-oriented working environment and the health of our employees.

Our strategic approach

GRAMMER pursues a holistic strategy that integrates employee satisfaction, employee development and occupational safety and health. "Group Human Resources" (Group HR) takes care of the concerns and development of employees. GRAMMER's corporate culture and working conditions are set out in the [GRAMMER Code of Conduct](#) (see section 2.1, p. 57-58), which summarizes the key internal and external rules and principles. GRAMMER firmly rejects forced labor, child labor and human trafficking and emphasizes respect for the rights of its employees. The Code of Conduct is publicly available on the company website in all relevant languages and our employees receive regular training on it.

To promote employee satisfaction, GRAMMER offers a variety of services and benefits, e.g. fair pay in accordance with the collective wage agreement, regulated and flexible working hours, mobile working, various training and development opportunities and a company pension plan. Moreover, the "MyLife@GRAMMER" program supports our employees in all life situations.

The GRAMMER Academy offers programs worldwide on topics such as project management, communication and intercultural skills, supplemented by on-site training and e-learning offerings. In 2025, the average number of training hours per employee was 10.44 hours in Germany and 8.6 hours globally. By 2030, we want to increase the average number to 12 hours per administrative employee worldwide.

Young professionals, managers, and specialists are specifically supported through special programs such as “Talent Circle” and “Way of Leading.” These training offerings were expanded in 2025 with the addition of the “Talent Rally” and the global implementation of the “Expert Program.” Overall, we are expanding training offerings of this kind as part of our GRAMMER Academy and creating transparent, target group-specific development opportunities. Annual development meetings with our employees are designed to support individual career planning.

GRAMMER has also further developed and refined its job architecture. This has created the essential conditions for increasing pay transparency and comparability and ensuring fair, gender-neutral remuneration for work of equal value in the long term. The completion of the job architecture will continue to occupy us in 2026.

Focus on occupational health and safety

In the area of occupational health and safety, GRAMMER has established a global occupational health and safety organization. In addition, GRAMMER is gradually certifying its occupational health and safety system according to ISO standard 45001 in all regions worldwide. At the end of 2025, the certification rate was 89%. The aim is to achieve 100% by the end of 2026.

Campaigns and training raise awareness among the workforce, while the Lost Time Incident Frequency Rate (LTIFR) is continuously being reduced as a key indicator - in 2025 it was 1.29%. We have therefore achieved the target of an accident frequency rate of less than 2% in all regions. The global LTIFR target is reduced each year compared to the figure for the previous year. The goal of improving the absence rate compared to the previous year was also achieved in 2025. It was 3.67% compared to 3.90% in the previous year. In addition, GRAMMER promotes physical and mental health through preventive medical services, external counseling services and flexible working models.

Outlook

GRAMMER plans to expand its training offerings within the GRAMMER Academy to include new target groups and thus specifically promote employees' development opportunities. As part of a pilot project, we will make our e-learning platform available to our blue-collar employees in the form of an app at some of our sites in 2026.

In addition, GRAMMER will finalize its job architecture and embed it as an integral part of its HR processes. This will provide a sound basis for ensuring fair and gender-neutral pay for work of equal value in the long term.

In the area of occupational health and safety, the plan is to expand ISO 45001 certification to 100% worldwide by the end of 2026 and to fully finalize the occupational health and safety organization. New information campaigns, action days, and targeted training courses are intended to further reduce the number of accidents and promote the long-term health of employees.

GOALS

- Expansion of the target groups of our training programs
 - Completion of the GRAMMER job architecture as an integral part of HR processes
 - Introduction of ISO 45001 occupational health and safety certification at all GRAMMER sites by the end of 2026
-

6.2 Equal treatment and equal opportunities

The basic values of trust and respect are firmly anchored in GRAMMER's corporate culture, as described in the WoW Code (see section 2.1, p. 57-58) – and thus also equal treatment and equal opportunities for all employees.

An open, tolerant and appreciative working culture has many advantages: Diverse and inclusive companies are considered attractive employers. They attract qualified employees who enjoy working there and often stay with the company for many years. Studies have also shown that diverse teams work more successfully. If different perspectives are considered, this often leads to better decisions. However, if inclusive collaboration does not work, conflicts arise and performance and innovative strength suffer.

The opportunity for training and development for our employees also has a positive effect. In particular, we want to support our students and trainees at an early stage in order to increase satisfaction and the chance of long-term employment for all of them.

Our strategic approach

Diversity is not just a passing trend for us, but a reality that we have lived by for decades. GRAMMER Group has 42 production and logistics locations in 20 countries, and its workforce is correspondingly international and diverse. We actively promote openness and respectful and appreciative interaction with one another: In 2006, GRAMMER was one of the first companies to sign the Diversity Charter, thereby committing itself to strengthening diversity and appreciation in the working world. The [Code of Conduct](#) stipulates equal opportunities for all employees. We take action against all forms of discrimination or harassment in the working environment – whether on the basis of ethnic origin, gender, religion or belief, disability, age or sexual identity. Employees can report incidents to the Compliance department via an internal whistleblower system (see section 2.1, p. 57-58). To promote openness and mutual understanding in mixed teams, intercultural training, language courses and team-building measures are offered to employees worldwide.

We seek a reasonable gender balance and support and encourage women at the company. The share of women at GRAMMER is currently around 45%. The goal of keeping the global percentage of women at around 45% remains in effect. The global share of women in management positions at the first management level below the Executive Board is currently around 12%. We also attach great importance to equality when it comes to employee remuneration: We regularly review salary levels and ensure that women and men receive the same pay for equal performance.

Measures to promote diversity, equity, inclusion, and belonging (DEIB)

- International campaigns on International Women's Day (March 8) at several locations to promote visibility, appreciation, and dialogue
- The internal women's network "Ladies@GRAMMER" strengthens the exchange of professional experience, offers opportunities for mutual support, and facilitates the transfer of know-how.
- Participation in Girls' Day to get young people interested in technical and industrial careers at an early stage
- Adaptation of recruiting processes to take DEIB aspects into account, including diversity-sensitive job postings and transparent selection decisions
- Hiring managers are also required to complete training to avoid hiring biases
- Implementation of a DEIB reporting concept that creates transparency regarding key figures and progress and enables systematic further development

Further measures to sustainably strengthen diversity and equal opportunities are continuously evaluated and developed.

Outlook

By 2030, the share of women in top management is to be increased to 20%. Our internal campaign and our further training program on DEIB will continue in 2026.

GOALS

- Increasing the percentage of women in top management to 20% by 2030
- Maintaining a constant global female quota of 45% for women

6.3 Social commitment

For GRAMMER, sustainability means not only protecting the environment and climate, but also taking social responsibility and creating a balance between the interests of employees, shareholders, customers and the society at large. This is why we support numerous social projects, educational institutions and volunteer activities at our company locations. In doing so, we follow the guidelines of our Code of Conduct and our globally applicable "Donations and Sponsoring Directive".

Social engagement can make an effective contribution to the positive development of society, the environment, and the workforce. At the same time, it strengthens the company's reputation and supports, among other things, the recruitment of new employees. In order to make targeted use of these opportunities, global management of engagement is necessary to ensure close alignment with the corporate strategy.

Challenges arise in particular in providing sufficient human resources for coordinating social projects and in setting appropriate budgets. In addition, selecting projects with demonstrable added value for society, employees, and the environment requires suitable criteria, as their impact is often difficult to measure.

Our strategic approach

The focus of our donation and sponsorship activities is on supporting social institutions and projects. GRAMMER is also active in the promoting sports. We are involved in school and university education through various collaborations, support and sponsorship programs. The aim is to prepare young people for the labor market. We do not support political parties or similar interest groups.

To prevent any suspicion of corruption arising due to an inappropriate donations or critical relationships with recipients or contractual partners, we have implemented a donation guideline at GRAMMER since the end of 2024. This sets out a standardized and transparent procedure for donations and sponsorship and must be adhered to at all times.

In order to better combine the individual commitment of the employees at the locations with the support from the company, a rough concept was created that we will continue to develop in the future. The CSR department is responsible for social engagement at GRAMMER.

Global social initiatives (Winner of the GRAMMER CSR Award 2025)

GRAMMER supported people affected by severe flooding in the state of Rio Grande do Sul through its Brazilian subsidiary. As part of the "SOS Rio Grande do Sul" initiative, employees collected urgently needed relief supplies such as water, milk, diapers, and pet food. In addition, blankets and beds were made from unused materials. The support was expanded through cooperation with external partners such as CNH Industrial and AGCO. The initiative made a concrete contribution to acute emergency aid and at the same time strengthened the team spirit and sense of responsibility of those involved.

At the Bursa site (Turkey), GRAMMER employees once again took part in a regular blood donation campaign. In cooperation with the Turkish Red Crescent Society, employees were able to donate blood voluntarily on site. The donations made an important contribution to the medical care of patients in Turkey and beyond. At the same time, the initiative promoted solidarity, cohesion, and social responsibility among the workforce.

At the Tianjin site (China), GRAMMER employees took part in a social project to support children with disabilities. As part of the initiative, they visited a local welfare facility, spent time with the children, played together, and handed out gifts. The project gave the children attention and appreciation, while also strengthening the social commitment and sense of community among the participating employees.

Outlook

Building on our previous activities in school and university education, we plan to continue our support for local educational institutions in the future. For example, we will continue to give presentations, offer practical days at our GRAMMER Campus and conduct job application training at schools. Our goal remains to optimally prepare young people for the job market.

7. Disclosures in accordance with Regulation (EU) 2020/852 (Taxonomy Regulation)

7.1 Background and objectives

The European Union (EU) has made the process of transforming Europe's economy into a greener and more environmentally friendly system a priority for its political action. Channeling capital flows into sustainable investments is seen as the key to success. With the taxonomy, the EU has created a classification system according to which economic activities can be classified as Taxonomy-aligned if they are mentioned in the Regulation and satisfy its requirements. The requirements include proof that the

activity makes a positive contribution to at least one of the six environmental objectives. In addition to a positive contribution, it must do no significant harm to any of the other five environmental objectives. Moreover, there must be proof of compliance with minimum standards for social and selected environmental and governance aspects.

7.2 Reporting by GRAMMER AG for the 2025 financial year

GRAMMER AG must report on the six environmental goals "climate change mitigation", "climate change adaptation", "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems" for the 2025 financial year. The reporting obligation includes disclosures on the shares of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that relate to Taxonomy-eligible and non-Taxonomy-eligible economic activities. The disclosures take into account all companies consolidated in the consolidated financial statements.

7.3 Taxonomy-eligible economic activities

GRAMMER AG is active in two business segments: GRAMMER develops and produces high-quality interior and operating systems as well as innovative thermoplastic components for the global automotive industry.

GRAMMER is also a full-service provider of driver and passenger seats for trucks, trains, buses and off-road vehicles.

Sustainability is anchored in the GRAMMER Group's corporate strategy and divided into five areas of action: In addition to the development of sustainable products, these include reducing direct and indirect emissions, the efficient use of energy, raw materials and other materials, increasing the recycling rate and optimizing the carbon footprint in the supply chain and for our own products.

With the company-wide strategic initiative "Sustainable Company", GRAMMER continues to promote sustainable solutions throughout the company. Furthermore, GRAMMER is pursuing the common goal of reducing CO₂ emissions for Scope 1 and 2 by 50% by 2030 and by 100% by 2040, thereby contributing to the fulfillment of the 1.5-degree target of the Paris Climate Agreement.

The examination of the economic activities carried out by GRAMMER for taxonomy eligibility took place with the involvement of all relevant company departments.

The Climate Delegated Act (EU) 2021/2139 and the Environmental Delegated Act (EU) 2023/2486 were reviewed and assigned to the economic activities of GRAMMER AG. For the sake of completeness and to avoid double counting, the revenues generated in the 2025 financial year, as well as the investments made and costs incurred that correspond to the definitions in Delegated Regulation (EU) 2021/2178 of November 21, 2023, were reviewed and directly assigned to the individual economic activities.

A key result is that GRAMMER's main economic activities can be assigned to the two EU taxonomy-eligible activities 3.18. Manufacture of automotive and mobility components and 3.19. Manufacture of rail rolling stock constituents. The economic activities of GRAMMER AG can therefore be assigned to the NACE codes C.29.3 Manufacture of parts and accessories for motor vehicles and C.30.2 Manufacture of railway locomotives and rolling stock.

The following economic activities with the corresponding NACE codes were also identified as part of GRAMMER AG's activities:

6.5. Transport by motorbikes, passenger cars and light commercial vehicles (N77.11 Renting and leasing of cars and light motor vehicles – with total weight of 3.5 t or less)

7.3. Installation, maintenance and repair of energy efficiency equipment (F43.2 Construction installation)

7.7. Acquisition and ownership of buildings (F41.1 Development of building projects; developer, F41.2 Construction of residential and non-residential buildings)

Compared to the previous year, activities 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings and 9.1 Close to market research, development, and innovation are not reported, as no or no significant investments were made in this regard in the 2025 fiscal year.

7.4 Alignment assessment

GRAMMER has produced a procedural description for assessing alignment with the requirements of the Taxonomy Regulation and rolled it out in three regions. These have been addressed by the relevant locations in their region. The assessment of whether the economic activity makes a substantial positive contribution and whether it does no significant harm to the other environmental objectives was performed by plant/site managers with the support of the local Accounting department and Plant Controlling. The individual results reported were consolidated and verified, first by regional Accounting and then by Accounting at the GRAMMER Group.

By contrast, the review of compliance with minimum safeguards in accordance with Article 18 of the Taxonomy Regulation in the areas of human rights, anti-corruption, bribery and fair competition was performed centrally for GRAMMER AG by Group Accounting with the support of the CSR, Legal, Compliance, Risk Management and Supply Chain Management departments.

The combined results for the reviews performed can be found in the tables in section 7.6.

7.5 Taxonomy-eligible and Taxonomy-aligned turnover

As outlined above, GRAMMER pursues ambitious sustainability goals in its business activities. The share of taxonomy-eligible main business activities in total revenue for the 2025 fiscal year

is 13.13% (previous year: 7.83%), while the taxonomy-compliant share is 3.98% (previous year: 2.11%). (see table on pp. 76-77). 12.89% of the eligible share is attributable to economic activity 3.18 Manufacture of automotive and mobility components (previous year: 7.46%) and 0.24% to economic activity 3.19 Manufacture of rail vehicle components (previous year: 0.36%). The increase in taxonomy eligibility and compliance compared to the previous year is primarily due to higher sales in the area of automotive components for electrified vehicles.

The KPI denominator was determined in accordance with Section 1.1.1 of Delegated Regulation (EU) 2021/2178 of November 21, 2023. The reference value (denominator of the "Revenue" key figure) is the "Revenue" item in the consolidated income statement for the 2025 financial year (see page 126).

7.6 Taxonomy-eligible and Taxonomy-aligned CapEx and OpEx

CapEx according to the EU Taxonomy relates to additions to tangible and intangible assets during the financial year in relation to the economic activities. OpEx includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair. Furthermore, OpEx comprises any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The definitions and calculations of the KPI denominators follow sections 1.1.2.1 and 1.1.3.1 of Delegated Regulation (EU) 2021/2178 of November 21, 2023. The reference value (denominator) for the "CapEx" key figure is composed of the items "Property, plant, and equipment," "Concessions, industrial property rights," and "Capitalized development costs" under "Intangible assets" in the statement of changes in fixed assets for the 2025 fiscal year (see page 128). The proportion of Taxonomy-eligible investments (CapEx) and the proportion of Taxonomy-eligible operating

expenses (OpEx) were calculated in accordance with sections 1.1.2.2 and 1.1.3.2 of Annex 1 to the Delegated Regulation on disclosure requirements (2021/2178).

The proportion of investments eligible for taxonomy was determined at 19.05% (previous year: 13.21%), and the proportion compliant with taxonomy at 3.98% (previous year: 2.16%). The taxonomy-eligible portion is divided among economic activities 3.18 (12.01%), 3.19 (0.22%), 6.5 (2.04%), 7.3 (0.10%), and 7.7 (4.68%) (see table on pp. 33-36). The taxonomy-compliant portion mainly relates to economic activities 3.18 (3.80%) and 3.19 (0.18%).

The proportion of investments eligible for taxonomy was determined at 19.05% (previous year: 13.21%), and the proportion compliant with taxonomy at 3.98% (previous year: 2.16%). The taxonomy-eligible portion is divided among economic activities 3.18 (12.01%), 3.19 (0.22%), 6.5 (2.04%), 7.3 (0.10%), and 7.7 (4.68%) (see table on pp. 33-36). The taxonomy-compliant portion mainly relates to economic activities 3.18 (3.80%) and 3.19 (0.18%).

The increase in the share of taxonomy-eligible and taxonomy-compliant investments and operating expenses compared to the previous year is due in particular to an increase in investments in activity 7.7 (acquisition and ownership of buildings) and an increase in the main business activities CCM 3.18 Manufacture of automotive and mobility components and CCM 3.19 Manufacture of rail rolling stock constituents.

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (1/2)

Economic Activities (1)	Code(s) (2)	Turnover (3) Mio. €	Proportion of Turnover, 2024 (4) %	Substantial Contribution Criteria					
				Climate Change Mitigation (5) (Y;N;N/EL)	Climate Change Adaptation (6) (Y;N;N/EL)	Water (7) (Y;N;N/EL)	Pollution (8) (Y;N;N/EL)	Circular Economy (9) (Y;N;N/EL)	Biodiversity (10) (Y;N;N/EL)
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of automotive and mobility components	CCM 3.18	69.24	3.80	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	3.25	0.18	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		72.49	3.98	3.98	0	0	0	0	0
Enabling		72.49	3.98	3.98	0	0	0	0	0
Transitional		0.00	0.00						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of other low carbon technologies	CCM 3.18	165.55	9.09	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	1.16	0.06	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		166.71	9.15	9.15	0	0	0	0	0
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		239.20	13.13	13.13					
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy-non-eligible activities (B)		1,582.00	86.87						
Total (A+B)		1,821.20	100.00						

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (2/2)

	DNSH criteria („Does Not Significantly Harm“)							Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, 2023 (%) (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. Taxonomy-eligible activities										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Manufacture of automotive and mobility components	Y	Y	Y	Y	Y	Y	Y	1.89	E	
Manufacture of rail constituents	Y	Y	Y	Y	Y	Y	Y	0.22	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	Y	Y	Y	Y	Y	Y	Y	2.11		
Enabling	Y	Y	Y	Y	Y	Y	Y	2.11	E	
Transitional								0.00		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of other low carbon technologies								5.57		
Manufacture of rail constituents								0.14		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								5.72		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)								7.83		
Proportion of turnover/Total turnover					Proportion of turnover/Total turnover					
	Taxonomy-aligned per objective		Taxonomy-eligible per objective			Taxonomy-aligned per objective		Taxonomy-eligible per objective		
CCM	3.98%		13.13%		CE	0%		0%		
CCA	0%		0%		PPC	0%		0%		
WTR	0%		0%		BIO	0%		0%		

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (1/4)

Economic Activities (1)	Code(s) (2)	CapEx (3) Mio. €	Proportion of CapEx, 2024 (4) %	Substantial Contribution Criteria					
				Climate Change Mitigation (5) (Y;N;N/EL)	Climate Change Adaptation (6) (Y;N;N/EL)	Water (7) (Y;N;N/EL)	Pollution (8) (Y;N;N/EL)	Circular Economy (9) (Y;N;N/EL)	Biodiversity (10) (Y;N;N/EL)
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of automotive and mobility components	CCM 3.18	3.57	3.80	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.17	0.18	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	-	-	-	-	-	-	-	-
Close to market research, development and innovation	CCM 9.1	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3.74	3.98	3.98	0	0	0	0	0
Enabling		3.74		3.98	0	0	0	0	0
Transitional									

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (2/4)

Economic Activities (1)	Code(s) (2)	CapEx (3) Mio. €	Proportion of CapEx, 2024 (4) %	Substantial Contribution Criteria					
				Climate Change Mitigation (5) (Y;N;N/EL)	Climate Change Adaptation (6) (Y;N;N/EL)	Water (7) (Y;N;N/EL)	Pollution (8) (Y;N;N/EL)	Circular Economy (9) (Y;N;N/EL)	Biodiversity (10) (Y;N;N/EL)
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of automotive and mobility components	CCM 3.18	7.72	8.21	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.04	0.10	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	4.40	4.68	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.09	0.10	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.91	2.04	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Close to market research, development and innovation	CCM 9.1	-	-	-	-	-	-	-	-
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14.16	15.07	15.07	0	0	0	0	0
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		17.90	19.05	19.05					
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities (B)		76.10	80.95						
Total (A + B)		94.00	100						

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (3/4)

	DNSH criteria („Does Not Significantly Harm“)						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
A. Taxonomy-eligible activities										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Manufacture of automotive and mobility components	Y	Y	Y	Y	Y	Y	Y	1.89	E	
Manufacture of rail constituents	Y	Y	Y	Y	Y	Y	Y	0.22	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	-	-	-	-	-	-	-	0.02	E	
Close to market research, development and innovation	-	-	-	-	-	-	-	0.03	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	Y	Y	Y	Y	Y	Y	Y	2.16		
Enabling	Y	Y	Y	v	Y	Y	Y	2.16	E	
Transitional								0.00		T

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (4/4)

	DNSH criteria („Does Not Significantly Harm“)							Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of automotive and mobility components								5.14		
Manufacture of rail constituents								0.13		
Acquisition and ownership of buildings								2.98		
Installation, maintenance and repair of energy efficiency equipment								0.21		
Transport by motorbikes, passenger cars and light commercial vehicles								2.49		
Close to market research, development and innovation								0.10		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								11.05		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)								13.21		

	Proportion of CapEx/Total CapEx		Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	3.98%	19.05%	CE	0%
CCA	0%	0%	PPC	0%
WTR	0%	0%	BIO	0%

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (1/2)

Economic Activities (1)	Code(s) (2)	OpEx (3) Mio. €	Proportion of OpEx, 2024 (4) %	Substantial Contribution Criteria					
				Climate Change Mitigation (5) (Y;N;N/EL)	Climate Change Adaptation (6) (Y;N;N/EL)	Water (7) (Y;N;N/EL)	Pollution (8) (Y;N;N/EL)	Circular Economy (9) (Y;N;N/EL)	Biodiversity (10) (Y;N;N/EL)
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of automotive and mobility components	CCM 3.18	0.95	2.48	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.05	0.12	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.99	2.59	2.59	0	0	0	0	0
Enabling		0.99	2.59	2.59	0	0	0	0	0
Transitional		-	0.00						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of automotive and mobility components	CCM 3.18	3.99	10.42	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of rail constituents	CCM 3.19	0.05	0.12	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4.04	10.54	10.54	0	0	0	0	0
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		5.03	13.13	13.13	0	0	0	0	0
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities (B)		33.26	86.87						
Total (A + B)		38.29	100.00						

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025 (2/2)

	DNSH criteria („Does Not Significantly Harm“)							Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. Taxonomy-eligible activities										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Manufacture of automotive and mobility components	Y	Y	Y	Y	Y	Y	Y	1.27	E	
Manufacture of rail constituents	Y	Y	Y	Y	Y	Y	Y	0.15	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	Y	Y	Y	Y	Y	Y	Y	1.42		
Enabling	Y	Y	Y	Y	Y	Y	Y	1.42	E	
Transitional								0.00		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of automotive and mobility components								6.19		
Manufacture of rail constituents								0.22		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								6.41		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)								7.83		

	Proportion of OpEx/Total OpEx		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	2,59%	13,13%	CE	0%
CCA	0%	0%	PPC	0%
WTR	0%	0%	BIO	0%

Template: Nuclear energy and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

8. About this report

Basis of reporting

This combined separate non-financial report (NFR) has been prepared in accordance with the requirements of sections 315b and 315c in conjunction with sections 289c to 289e HGB for the 2025 financial year (January 1, 2025 to December 31, 2025). It contains the disclosures required by law on material topics pertaining to the environment, employees, social concerns, observance of human rights and anti-corruption and anti-bribery precautions. In addition, it discloses material risks in accordance with section 289c(3) no. 3 and 4 HGB where these are necessary for an understanding of the Group's business performance, results of operations and position as well as the impact on non-financial aspects. The mandatory disclosures pursuant to Article 8 of the EU Taxonomy Regulation 2020/852 are also included.

For disclosure of the diversity concept in accordance with Section 289f (2) No. 6, see Annual Report 2025 pp. 87.

This report is the combined separate declaration for the GRAMMER Group and GRAMMER AG for the 2025 financial year in accordance with sections 289b and 315b HGB, which is made available to the general public on the company's website under Company > Sustainability & social responsibility > Combined separate non-financial report.

The content deadline for the 2025 NFR was March 6, 2025. This NFR is available in both German and English. The German version takes precedence in the event of any discrepancies.

Unless stated otherwise, the contents refer to the entire GRAMMER Group including GRAMMER AG. In this report, the term GRAMMER Group also includes GRAMMER AG. In addition to its financial key performance indicators, the GRAMMER Group has also defined strategic and environmental, social and govern-

ance (ESG) targets, such as compliance, environmental protection, economic stability and growth, as ongoing performance indicators. A more detailed explanation of the non-financial key performance indicators for GRAMMER AG can be found in the remuneration report. Detailed information on provisions can be found in the notes to the consolidated financial statements. Otherwise, there is no direct link between the amounts reported in the annual financial statements of the GRAMMER Group in accordance with section 289c (3) no. 6 HGB and the non-financial aspects. In some cases, reference is made to the content of the Group management report in accordance with section 315b (1) sentence 3 HGB.

The combined separate non-financial report has been prepared with reference to the Global Reporting Initiative (GRI) standards.

Forward looking statements

This non-financial report contains certain forward-looking statements concerning the future development of GRAMMER AG and its companies as well as economic and political developments. These statements are assessments made on the basis of all the information available to us at the time of reporting. If the underlying assumptions are inaccurate or other risks occur, actual results and the development and performance of GRAMMER AG can differ from the assessments shown. Even if GRAMMER AG's actual results, including its financial position and profitability as well as the economic and regulatory framework, are consistent with the forward-looking statements in this NFR, this does not guarantee that this will continue to be the case in the future. GRAMMER AG therefore accepts no liability for the forward-looking statements presented here.

Review

This NFR has been reviewed by the Supervisory Board, which has satisfied itself of its legality, propriety and suitability for its intended purposes.

Rounding differences

The use of rounded amounts and percentages can give rise to minor differences on account of commercial rounding.

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Further reporting

Further information on sustainability at GRAMMER AG can be found on our [website](#).

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CORPORATE GOVERNANCE STATEMENT

GRAMMER AG – pursuant to Sections 289f and 315d of the German Commercial Code (HGB)

In this statement, the Executive Board and Supervisory Board report on the company's corporate governance in the financial year from January 1 to December 31, 2025, in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and as provided for in Principle 23 of the German Corporate Governance Code (GCGC). Further information on corporate governance – such as the company's Articles of Association and the Rules of Procedure of the Supervisory Board, as well as the corporate governance statements for previous financial years – is also available on the GRAMMER AG website at <https://www.grammer.com/en/investor-relations/corporate-governance/>.

1. Declaration of conformity with the German Corporate Governance Code

The Executive Board and Supervisory Board of GRAMMER AG have approved the following statement pursuant to Section 161 of the German Stock Corporation Act (AktG) as of December 16, 2025:

“Statement by the Executive Board and Supervisory Board of GRAMMER Aktiengesellschaft on the recommendations of the Government Commission on the German Corporate Governance Code pursuant to Section 161 of the AktG

Since submitting its last declaration of conformity on December 17, 2024, in the form of its supplement dated February 6, 2025, GRAMMER AG (“the company”) has complied with all recommendations of the Government Commission on the German Corporate Governance Code, version dated April 28, 2022, published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022 (“2022 GCGC”) with the following differences:

On February 6, 2025, the Supervisory Board of GRAMMER Aktiengesellschaft resolved to appoint Mr. Thomas Strobl as a member of the Executive Board for a term of one year, effective April 1, 2025. Mr. Strobl took over responsibility for finance and IT management from April 1, 2025, until his departure on June 20, 2025. Due to the one-year term of his appointment, the Supervisory Board and Mr. Strobl agreed that his Executive Board contract would provide only for fixed remuneration and one-year variable remuneration (short-term incentive, or STI) for his role. The Executive Board service contract did not contain any multi-year variable remuneration components. Furthermore, Mr. Strobl's remuneration did not include any variable remuneration in shares or share-based arrangements.

The Supervisory Board is currently working on adjustments to the remuneration system for the Executive Board approved by the Annual General Meeting on May 22, 2025, due to take effect on January 1, 2026, provided that the Supervisory Board resolves to adjust the remuneration system and the 2026 Annual General Meeting approves this. The Supervisory Board therefore refrained from setting performance criteria for the Executive Board for the 2026 financial year on the basis of the remuneration system applicable at the end of the 2025 financial year.

Consequently:

Due to the aforementioned remuneration arrangements for Mr. Strobl, a deviation from recommendations G.6 and G.10 sentence 1 of the GCGC is declared for the past. The deviations were justified in the opinion of the Supervisory Board because, given that Mr. Strobl's term on the Executive Board was only for one year, the incentives usually associated with multi-year variable or share-based remuneration would not have been appropriate. In addition, Mr. Strobl's maximum remuneration was lower than permitted under the current remuneration system for the

Executive Board, and the target remuneration was below that of the other members of the Executive Board due to the lack of the multi-year variable and share-based remuneration component. In the opinion of the Supervisory Board, a sufficiently long-term incentive effect was already provided by a key sub-target (strategy and sustainability (environment, social, and governance)) of the one-year variable remuneration.

Due to the fact that no decision was made in the 2025 financial year regarding performance criteria for the variable remuneration components of the Executive Board for the 2026 financial year, a deviation from recommendation G.7 sentence 1 is declared. The deviations were justified from the Supervisory Board's point of view because of retroactive adjustments to the remuneration system approved by the 2025 Annual General Meeting and due to take effect on January 1, 2026. It would not be appropriate to define performance criteria based on the remuneration system applicable at the end of the 2025 financial year.

The company also complies with all recommendations of the 2022 GCGC and will continue to do so in the future.

Ursensollen, December 16, 2025

GRAMMER Aktiengesellschaft

The Executive Board

The Supervisory Board”

The current declaration of conformity and the declarations of conformity for the past five years can be viewed on the GRAMMER AG website at <https://www.grammer.com/en/investor-relations/corporate-governance/>.

2. Remuneration report / remuneration system

The remuneration report for the last financial year and the auditor's opinion pursuant to Section 162 of the AktG, the applicable remuneration system for the members of the Executive Board pursuant to Section 87a (1) and (2) sentence 1 of the AktG, which was approved by the Annual General Meeting on May 22, 2025, and the resolution passed by the Annual General Meeting on May 22, 2025, pursuant to Section 113 (3) of the AktG on the remuneration of the members of the Supervisory Board are publicly available at <https://www.grammer.com/en/investor-relations/corporate-governance/>.

3. Information on corporate governance practices

Suggestions from the GCGC

GRAMMER AG also voluntarily complies with all recommendations of the GCGC.

GRAMMER Code of Conduct

Other corporate governance practices that go beyond the legal requirements are set out in particular in the GRAMMER Code of Conduct, which is publicly available at <https://www.grammer.com/en/company/compliance/>. The GRAMMER Code of Conduct defines the ethical and legal framework within which the company operates. It contains the fundamental principles and rules governing conduct within the GRAMMER Group and in relation to external partners and the public.

Compliance management system

The corporate culture at GRAMMER is shaped to a significant extent by the GRAMMER Code of Conduct. It is mandatory for all employees of the GRAMMER Group to comply with the GRAMMER Code of Conduct. It summarizes the most important external and internal principles and rules and contains compulsory requirements on topics such as the prevention of corruption, fair competition, data protection, occupational health and safety, insider trading, export control, and health and environment. The

GRAMMER Code of Conduct is publicly available at <https://www.grammer.com/en/company/compliance/> and is supplemented by detailed compliance guidelines, which are available on the intranet in the languages relevant to GRAMMER. Overall responsibility for compliance lies with the entire Executive Board across all departments. A compliance organization headed by a Chief Compliance Officer is responsible for the ongoing development of the compliance management system as well as for advising and training managers and employees. In the event of suspected or reported misconduct or violations of applicable laws or internal requirements, all employees and external parties have access to the multilingual electronic whistleblower system, which also offers the option of being used anonymously.

4. Description of the working methods of the Executive Board and Supervisory Board, as well as the composition and working methods of their committees

GRAMMER AG is subject to German stock corporation law and therefore has a dual management system consisting of an Executive Board and a Supervisory Board. Their duties and powers, as well as the requirements governing their working methods and composition, are essentially derived from the German Stock Corporation Act, the Articles of Association of GRAMMER AG, and the Rules of Procedure. The Articles of Association of GRAMMER AG and the Rules of Procedure for the Supervisory Board are available on the website at <https://www.grammer.com/en/investor-relations/corporate-governance/>.

Executive Board

As the management body, the Executive Board is bound to act in the interests of the company and is committed to increasing its long-term value. The members of the Executive Board share responsibility for overall management and decide on fundamental issues of business policy and corporate strategy, as well as on annual and multi-year planning.

The Executive Board is responsible for preparing the company's quarterly reports and half-yearly financial report, as well as for preparing the annual and consolidated financial statements and the management report for GRAMMER AG and the Group. It prepares the controlled company report and, together with the

Supervisory Board, the remuneration report. The Executive Board ensures compliance with legal provisions and internal guidelines and works to enforce and observe them within the company. In order to fulfill these obligations, the Executive Board ensures that there is an appropriate and effective internal control and risk management system in place that is tailored to the company's risk situation and also includes a compliance management system tailored to the company's risk situation. Employees and third parties are given the opportunity, under appropriate protection, to report violations of the law within the company.

The Supervisory Board has issued Rules of Procedure for the Executive Board, which include the division into various departments and the rules for cooperation both within the Executive Board and between the Executive Board and the Supervisory Board. The Supervisory Board has designated the members of the Executive Board responsible for the individual Executive Board departments in a schedule of responsibilities. The HR Director, as head of the Human Resources department, is appointed in accordance with Section 33 of the German Co-Determination Act. Each member of the Executive Board is responsible for managing the department assigned to them; matters of particular importance are set aside to be decided upon by the entire Executive Board. The Executive Board is supported by the Executive Committee, which meets regularly. The Executive Committee consists of the members of the Executive Board and the heads of key core business areas and forms the company's highest operational management body.

The Executive Board and Supervisory Board work closely together for the benefit of the company. The Executive Board informs the Supervisory Board regularly, promptly, and comprehensively about all business matters that are of particular importance due to their financial impact and/or their significance for general corporate policy. This includes, in particular, issues relating to strategy, business development, risk exposure, risk management, and compliance. The members of the Executive Board are subject to a comprehensive non-compete clause during their employment with GRAMMER AG. They are committed to the interests of the company and are not permitted to pursue personal interests in their decision-making. In particular, they must

not exploit any business opportunities arising for the company for their own benefit. They may take on secondary employment, particularly supervisory board positions outside the GRAMMER Group, only with the approval of the Supervisory Board. The decision on how to handle remuneration for secondary employment also rests with the Supervisory Board. Each member of the Executive Board is obliged to disclose any conflicts of interest to the Supervisory Board without delay and to inform the other members of the Executive Board of any such conflicts.

Members of the Executive Board are initially appointed for a maximum of three years. However, the Supervisory Board assesses on a case-by-case basis which term of appointment appears appropriate.

The Executive Board of GRAMMER AG comprised the following members during the financial year: Jens Öhlenschläger, Jurate Keblyte (until March 31, 2025), Guoqiang Li, Thomas Strobl (from April 1, 2025, to June 20, 2025), and Kelvin (Bangben) Wang (since August 1, 2025):

Jens Öhlenschläger Spokesman of the Executive Board; member of the Executive Board since January 1, 2019; appointed until December 31, 2026	Responsibilities (as of December 31, 2025): Strategy & Market Research, Sales, Research & Development, Human Resources (since April 1, 2025), Legal & Compliance (since April 1, 2025), Internal Audit (since April 1, 2025), Corporate Social Responsibility (CSR), Marketing
Until March 31, 2025: Quality Management & HSE	
Jurate Keblyte Member of the Executive Board since August 1, 2019; HR Director; appointed until March 31, 2025	Responsibilities (as of March 31, 2025): Accounting & Controlling, Finance & Treasury, Investor Relations, Human Resources, Legal & Compliance, IT, Risk Management

Thomas Strobl
 Member of the Executive Board from April 1, 2025, to June 20, 2025

Responsibilities (as of June 20, 2025): Accounting & Controlling, Finance & Treasury, Investor Relations, IT Management, Risk Management, Corporate Social Responsibility (CSR)

Kelvin (Bangben) Wang
 Member of the Executive Board since August 1, 2025; appointed until July 30, 2028

Responsibilities (as of December 31, 2025): Accounting, Financial Planning & Analysis, Controlling, Finance & Treasury, Investor Relations, IT Management, Risk Management, Supply Chain Management

Guoqiang Li
 Member of the Executive Board since April 1, 2024; appointed until March 31, 2027

Responsibilities (as of December 31, 2025): Operations, Project Management, Value Analysis and Value Engineering, Quality Management & HSE (since April 1, 2025), Manufacturing Engineering (since August 1, 2025)

Until March 31, 2025: Digitalization Operations

Until July 31, 2025: Supply Chain Management;

The résumés of the members of the Executive Board in office as of December 31, 2025, are available on the company's website at <https://www.grammer.com/en/company/management-supervisory-board/>. Further details on the memberships of the members of the Executive Board to be disclosed in accordance with Section 285 No. 10 of the HGB can be found in Section 10 of this statement.

Supervisory board

The Supervisory Board of GRAMMER AG consists of 12 members. In accordance with the German Co-Determination Act, it com-

prises equal numbers of shareholder representatives and employee representatives. The shareholders' representatives on the Supervisory Board are elected by a simple majority at the Annual General Meeting. Elections to the Supervisory Board are regularly conducted on an individual basis. The employee representatives on the Supervisory Board are elected in accordance with the provisions of the German Co-Determination Act.

Further details on the members of the Supervisory Board and their memberships as required by Section 285 No. 10 of the HGB can be found in Section 11 of this statement. The résumés of the current Supervisory Board members are published at <https://www.grammer.com/en/company/management-supervisory-board/> and updated annually.

The Supervisory Board monitors and advises the Executive Board in the management of the company. The Supervisory Board discusses business development and planning as well as strategy and its implementation at regular intervals. It audits the annual and consolidated financial statements, the combined management report of GRAMMER AG and the Group, including the non-financial statement, the sustainability report, and the controlled company report. It approves the annual financial statements of GRAMMER AG and the consolidated financial statements, based on the results of the preliminary review conducted by the Audit Committee and taking into account the auditor's audit reports. The Supervisory Board decides on the Executive Board's proposal for the appropriation of net retained profits and the Supervisory Board's report to the Annual General Meeting, and submits a proposal to the Annual General Meeting for the selection of the auditor. Together with the Executive Board, the Supervisory Board prepares a report on the remuneration granted and owed to the members of the Executive Board and Supervisory Board in the last financial year. In addition, the Supervisory Board and the Audit Committee are responsible for monitoring the company's compliance with legal provisions, official regulations, and internal company policies. The monitoring and advisory functions of the Supervisory Board also include sustainability issues in particular.

The Supervisory Board is also responsible for appointing and dismissing members of the Executive Board and determining the allocation of responsibilities. The Supervisory Board decides on the remuneration system for the members of the Executive Board based on a proposal from the HR and Mediation Committee and determines the specific remuneration in accordance with the system. It sets the targets for variable remuneration and the respective total remuneration for the individual members of the Executive Board and reviews the appropriateness of the total remuneration and, on a regular basis, the remuneration system for the Executive Board.

Significant decisions by the Executive Board – such as major acquisitions, divestments, investments in property, plant, and equipment, and financial measures—are subject to the approval of the Supervisory Board. Preliminary meetings are usually held to prepare for Supervisory Board meetings. The Supervisory Board also meets regularly without the Executive Board. Each member of the Supervisory Board must disclose any conflicts of interest to the Supervisory Board. The Supervisory Board report discloses any conflicts of interest and how they were handled. The members of the Supervisory Board are responsible for undertaking the training and continuing professional development measures necessary for their duties and are supported in this by the company. Internal lectures and talks are also offered for the purpose of ongoing training. Details of the Board's work are provided in the Supervisory Board report, which is publicly available for the last financial year at <https://www.grammer.com/en/company/management-supervisory-board/>.

Committees of the Supervisory Board

The Supervisory Board had five committees in the reporting year. Their duties, responsibilities, and work processes comply with the requirements of the German Stock Corporation Act and the GCGC. The chairs of the committees regularly report to the Supervisory Board on the activities of their committees.

The **Audit Committee** monitors accounting and the accounting process in particular. It is responsible for the preliminary audit

of the annual and consolidated financial statements and the combined management report of GRAMMER AG and the Group, including non-financial matters. On the basis of the auditor's report on the audit of the financial statements, it submits proposals for the approval of the annual financial statements of GRAMMER AG and for the approval of the consolidated financial statements by the Supervisory Board after its own preliminary review. The Audit Committee is required to discuss the quarterly reports and the half-yearly financial report with the Executive Board. The Audit Committee also deals with sustainability reporting. In addition, the Audit Committee is responsible for monitoring the company's compliance with legal provisions, official regulations, and internal company policies. It also handles the company's risk monitoring system and monitors the adequacy and effectiveness of its internal control system, risk management system, and internal audit system. The Audit Committee prepares the Supervisory Board's proposal to the Annual General Meeting regarding the choice of auditor and submits a corresponding recommendation to the Supervisory Board. Following the resolution of the Annual General Meeting, the Audit Committee assigns the audit to the auditor and monitors the audit as well as the selection, independence, qualifications, rotation, and efficiency of the auditor and the services provided by the auditor. It regularly assesses the quality of the audit. The chair of the Audit Committee also maintains regular dialog with the auditor outside meetings. The Audit Committee consults regularly with the auditor, including without the Executive Board being present.

During the reporting year, the Audit Committee consisted of the following members:

- Dagmar Rehm (Chair) (until March 31, 2025)
- Dr. Martin Kleinschmitt (until March 31, 2025)
- Udo Fechtner (until May 22, 2025)
- Xiaolu Tang (Chair) (since April 1, 2025)
- Sijun Zhang (since April 1, 2025)
- Andrea Elsner
- Nicole Schobert (since May 22, 2025)

According to the German Stock Corporation Act, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. Until March 31, 2025, the Supervisory Board and its Audit Committee included a member with expertise in the field of auditing, Chair of the Committee Dagmar Rehm, and a member with expertise in the field of accounting, Dr. Martin Kleinschmitt.

After studying economics, Dagmar Rehm worked for many years in business management positions and as a chief financial officer. She has been Chair of the Audit committee at Koenig & Bauer AG for several years and therefore has particular knowledge and experience in the field of auditing. In addition, she has in-depth knowledge of sustainability reporting requirements. Ms. Rehm is also independent.

After completing an apprenticeship in banking and studying law, Dr. Martin Kleinschmitt also worked as a CFO for many years and, as a member of the Executive Board of Noerr Consulting AG, advises companies on financing issues and business management. He therefore has special knowledge and experience in the application of accounting principles and internal control and risk management systems.

Since April 1, 2025, the Supervisory Board has included two members with expertise in the areas of auditing and accounting: Xiaolu Tang as Chair of the Committee and Sijun Zhang.

After completing her Bachelor of Management, Business Administration, and Executive MBA degrees, Xiaolu Tang spent many years in senior financial positions at various companies in China and Europe. Since 2024, she has been head of finance (CFO) at the Poggenpohl Group in Herford, Germany, and therefore has expertise in auditing and accounting. She also possesses knowledge in the field of sustainability reporting.

After completing his studies in international accounting, Sijun Zhang worked as an auditor and in fields including accounting

and controlling. Since 2019, he has been Chief Financial Officer of Ningbo Jifeng Auto Parts Co. Ltd. in Ningbo, China. He therefore has extensive knowledge in the fields of accounting and auditing.

The **HR and Mediation Committee** acts in an advisory and preparatory capacity with regard to the Supervisory Board's personnel decisions, particularly regarding the appointment and dismissal of members of the Executive Board (including entering into, amending, extending, and terminating employment contracts with members of the Executive Board), the remuneration system for the Executive Board, the determination of the total remuneration of individual members of the Executive Board, and the preparation of the remuneration report. When considering proposals for initial appointments, the committee takes into account the requirement that the term of appointment generally should not exceed three years. When proposing candidates for appointment to the Executive Board, the Committee considers their professional suitability, international experience, and leadership qualities, the age limit set for members of the Executive Board, long-term succession planning, and diversity. In addition, the HR and Mediation Committee regularly discusses long-term succession planning for the Executive Board. The HR and Mediation Committee decides in particular on the approval of any Executive Board member's secondary employment and whether and to what extent any remuneration is to be allowed for.

During the reporting year, the HR and Mediation Committee consisted of the following members:

- Gabriele Sons (Chair) (until March 31, 2025)
- Dr. Martin Kleinschmitt (until March 31, 2025)
- Dr. Markus Lauer (Chair) (since April 1, 2025)
- Dr. Ping He (since April 1, 2025)
- Udo Fechtner
- Martin Heiss

The main duties of the **Strategy Committee** are to advise the Executive Board on the company's ongoing strategic development in matters of corporate strategy and on projects of strategic relevance and to monitor their implementation.

During the reporting year, the Strategy Committee consisted of the following members:

- Prof. Birgit Vogel-Heuser (Chair) (until March 31, 2025)
- Dr. Martin Kleinschmitt (until March 31, 2025)
- Dr. Ping He (Chair) (since April 1, 2025)
- Sijun Zhang (since April 1, 2025)
- Udo Fechtner
- Martin Heiss

The **Nomination Committee** is responsible for proposing suitable candidates to the Supervisory Board for election to the Supervisory Board by the shareholders at the Annual General Meeting. In addition to the necessary knowledge, skills, and professional experience, the objectives specified by the Supervisory Board for its composition and the competence profile developed for the entire Board should be taken into account in the proposal of candidates. When determining its composition, the Supervisory Board should, in particular, consider the company's international operations, the specified age limit, and diversity. Care must be taken to ensure that there is appropriate representation of men and women in accordance with the legal requirements on gender quotas and that the members of the Supervisory Board as a whole are familiar with the sector in which the company operates.

During the reporting year, the Nomination Committee consisted of the following members:

In the reporting year, the members belonged of the Nomination Committee were:

- Gabriele Sons (Chair) (until March 31, 2025)
- Dr. Martin Kleinschmitt (until March 31, 2025)

- Dagmar Rehm (until March 31, 2025)
- Dr. Markus Lauer (Chair) (since April 1, 2025)
- Jian Shi (since April 1, 2025)
- Sijun Zhang (since April 1, 2025)

The main responsibility of the **Chairman's Committee** is to support the Chair of the Supervisory Board in the performance of the Chair's duties, particularly in preparing meetings and coordinating the work of the Supervisory Board, as well as in preparing Supervisory Board resolutions.

During the reporting year, the Chairman's Committee consisted of the following members:

- Dr. Martin Kleinschmitt (until March 31, 2025)
- Dr. Ping He (from April 1, 2025, to December 31, 2025)
- Udo Fechtner

Further details on the working methods and composition of the Supervisory Board and its committees can be found in the Rules of Procedure for the Supervisory Board, which are publicly available at <https://www.grammer.com/en/investor-relations/corporate-governance/>.

Supervisory Board self-assessment

The Supervisory Board and its committees regularly review, either internally or with the involvement of external advisors, how effectively the Supervisory Board as a whole and its committees perform their duties. The last self-assessment was conducted in the 2025 financial year.

The overall results of the 2025 self-assessment were at a very high level, confirming the constructive cooperation within the Supervisory Board and with the Executive Board. The composition and structure of the Supervisory Board, including its committees, were deemed effective and efficient. There was no fundamental need for change, but strategic work within the Board in particular is to be strengthened in the future. Individual

recommendations for action aimed at further optimizing the work of the Supervisory Board are also taken up and implemented during the year.

5. Targets as per Section 76 (4) of the AktG for the share of women at the two management levels below the Executive Board; information on compliance with the inclusion requirement when appointing members of the Executive Board; and minimum quotas in the appointment of members of the Supervisory Board

When filling management positions within the company, the Executive Board takes diversity into account and strives in particular to ensure that women and international candidates are given appropriate consideration. In compliance with the legal requirements in Germany, the Executive Board has set targets for the share of women working in positions at the first and second management levels below the Executive Board at GRAMMER AG as stipulated in Section 76 (4) of the AktG. These targets are 15% for the first management level below the Executive Board and 20% for the second management level below the Executive Board by September 30, 2030.

As of December 31, 2025, 15.4% of managers at the first management level below the Executive Board and 12.3% at the second level were women. The target of 15% for the first management level was thus achieved. The target of 20% for the second management level below the Executive Board was not achieved by December 31, 2025. Although the majority of female executives who left the company were replaced by women, the share of women in this area has nevertheless declined slightly as, despite efforts to the contrary, there were no suitable applications or no applications at all from women for the available positions. As the Executive Board of GRAMMER AG consisted of three members in the financial year, the gender quota requirement under Section 76 (3a) of the AktG does not apply. In 2023, the Supervisory Board set the target for the share of women on the GRAMMER AG Executive Board in accor-

dance with Section 111 (5) of the AktG at a minimum of 33% by December 31, 2028. In the 2025 financial year to March 31, 2025, the Executive Board of GRAMMER AG consisted of one woman and two men, meaning that the target was achieved up to March 31, 2025. Since April 1, 2025, the Executive Board has consisted of three men. Due to Ms. Keblyte's premature resignation on March 31, 2025, and Mr. Strobl's departure by mutual agreement in June 2025, the short period of time available meant that it was not possible to initiate a standardized succession process in which suitable women could have been specifically considered in the selection process. Regardless of this, the inclusion of women is an essential aspect of the Supervisory Board's long-term succession planning for the Executive Board. In doing so, it takes into account the company's management planning and also considers diversity.

In the reporting year, the Supervisory Board consisted of five women and seven men, thus complying with the minimum requirements set out in Section 96 (2) of the AktG.

6. Diversity policy for the Executive Board and long-term succession planning

When selecting members of the Executive Board, the Supervisory Board pays attention to their personal suitability, integrity, convincing leadership qualities, international experience, professional qualifications for the area of responsibility to be taken on, previous achievements, knowledge of the company, and the ability to adapt business models and processes in a changing world.

Diversity is an important selection criterion in appointments to Executive Board positions, including aspects such as age, gender, and educational and professional background. When selecting members of the Executive Board, the Supervisory Board also considers the following aspects in particular:

- In addition to the specific expertise and management and leadership experience required for the respective duty, the

members of the Executive Board should cover as broad a spectrum as possible in terms of knowledge and experience, as well as educational and professional backgrounds.

- In view of the company's international orientation, the composition of the Executive Board should reflect international profiles in terms of different cultural backgrounds or international experience.
- The Executive Board as a whole should have experience in the business segments that are important to GRAMMER, particularly in the industrial and automotive sectors.
- The Executive Board as a whole should have extensive experience in the areas of research and development, technology, purchasing, production and sales, finance, legal affairs (including compliance), and human resources.
- Diversity also refers to gender diversity. The gender quota requirement under Section 76 (3a) of the AktG does not currently apply to the Executive Board of GRAMMER AG. The target for the share of women on the Executive Board specified by the Supervisory Board in accordance with Section 111 (5) of the AktG is required to be taken into account in appointments to the Executive Board. The Supervisory Board has set a target of at least 33% female representation on the Executive Board, which is to be achieved again by December 31, 2028.
- It is considered helpful to have different age groups represented on the Executive Board. In accordance with the recommendation of the German Corporate Governance Code, the Supervisory Board has set an age limit for members of the Executive Board. According to this, persons appointed to the Executive Board are to be no more than 63 years old at the time of their initial appointment or reappointment.

The decision on who fills a specific position on the Executive Board is always based on the interests of the company, taking into account all circumstances of the individual case.

Implementation of the diversity policy for the Executive Board in the past financial year

The diversity policy for the Executive Board is implemented as part of the appointment process. When selecting candidates and proposing appointments to the Executive Board, the Supervisory Board and the HR and Mediation Committee observe the requirements set out in the diversity policy for the Executive Board.

In its current composition, the Executive Board meets most of the requirements of the diversity policy. The members of the Executive Board cover a broad spectrum of knowledge and experience as well as educational and professional backgrounds and have international experience. The Executive Board as a whole possesses all the knowledge and experience deemed essential in view of GRAMMER's operations. The entire Executive Board has experience in the business segments that are important to GRAMMER. Until March 31, 2025, the Executive Board had one female member, Jurate Keblyte. The target of 33% set by the Supervisory Board was achieved during some of the past financial year. No member of the Executive Board is currently older than 63.

Long-term succession planning for the Executive Board

The Supervisory Board, together with the Executive Board, is responsible for long-term succession planning for the Executive Board, with assistance in a preparatory capacity from the HR and Mediation Committee. In addition to the requirements of the German Stock Corporation Act, the recommendations of the German Corporate Governance Code, and the Rules of Procedure, long-term succession planning takes into account the target for the share of women on the Executive Board set by the Supervisory Board and the criteria in accordance with the diversity policy adopted by the Supervisory Board for the composition of the Executive Board. Taking into account the specific requirements for skills and qualifications as well as the criteria mentioned above, the HR and Mediation Committee prepares an ideal profile that is then used to draw up a shortlist of available candidates. Structured interviews are conducted with these

candidates. The Committee then submits a recommendation to the Supervisory Board, which subsequently makes a decision. If necessary, external consultants support the Supervisory Board or the HR and Mediation Committee, as applicable, in defining the job descriptions and selecting candidates.

7. Objectives for the composition, competence profile, and diversity policy for the Supervisory Board

The Supervisory Board of GRAMMER AG is expected to be composed in such a way as to ensure that it can provide qualified supervision and advice to the Executive Board. In this context, complementary interaction between members with different personal and professional backgrounds, as well as diversity in terms of international profile, age, and gender, are considered helpful.

The shareholder representatives on the Supervisory Board are proposed by the Supervisory Board and elected by the Annual General Meeting. The employee representatives on the Supervisory Board of GRAMMER AG are elected in accordance with the provisions of the German Co-Determination Act and comprise four employees of the company, including one senior executive, and two representatives of the trade unions. The Supervisory Board has no legal right to propose candidates for the election of employee representatives to the Supervisory Board. In view of this, and taking into account the recommendations and suggestions of the GCGC, the following competence profile for the Supervisory Board is to be observed regarding the composition of the Supervisory Board and in the Supervisory Board's nominations for election presented to the Annual General Meeting.

Competence profile

The candidates proposed for election to the Supervisory Board should, based on their knowledge, skills, and experience, be capable of performing the duties of a Supervisory Board member at an international, publicly traded company and safeguarding the GRAMMER Group's public reputation. Particular attention should be paid to the character, integrity, and com-

mitment of each person nominated for election. The aim is to ensure that the Supervisory Board as a whole possesses all the knowledge and experience considered essential in view of GRAMMER's activities.

In addition to experience in management and leadership, this also includes expertise in strategy, market development, and business development, as well as corporate development and organization. Among further significant qualities are industry and sector knowledge in business areas specific to GRAMMER and expertise in operations and operational excellence, new technologies, products, and services, as well as digitalization, IT, and software. Experience in sales and marketing, human resources, new work, and sustainability is also considered important.

Knowledge of control systems (CMS, RMS, ICS, and internal auditing), accounting, financial statement auditing, restructuring and transformation, as well as financing and capital markets, are of particular relevance to the members of the Audit Committee, but are also important for the entire Supervisory Board. According to the German Stock Corporation Act, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. Expertise in the field of accounting should consist of particular knowledge of and experience in the application of accounting principles and internal control and risk management systems and expertise in the field of auditing should include particular knowledge of and experience in auditing. Accounting and auditing also include sustainability reporting and the auditing of that reporting. The chair of the Audit Committee is expected to be suitably knowledgeable in at least one of the two areas, and should be independent.

In the event of an upcoming vacancy, a review should be carried out to determine which of the desirable skills are to be strengthened on the Supervisory Board.

Diversity

Sufficient diversity is expected to be ensured in the composition of the Supervisory Board. In addition to giving due consideration to both genders, this also includes diversity in terms of age structure, nationality, international experience, and differences in educational and professional backgrounds, experiences, and ways of thinking. When reviewing potential candidates for a special election or to fill vacant positions on the Supervisory Board, the aspect of diversity must be taken into account appropriately at an early stage of the selection process. In view of the company's international orientation, particular attention should be paid to ensuring that the Supervisory Board has a sufficient number of members with international experience.

According to the German Stock Corporation Act, at least 30% of the supervisory board must be women and at least 30% must be men.

Independence

The Supervisory Board should comprise a number of independent members that it deems appropriate, taking into account the ownership structure. The Supervisory Board bases its definition of independence on the German Corporate Governance Code. More than half of the shareholder representatives should be independent of the company and the Executive Board. Significant conflicts of interest that are not merely temporary must be avoided. No more than two former members of the Executive Board of GRAMMER AG may serve on the Supervisory Board. The members of the Supervisory Board should have sufficient time to perform their duties so that they can do so with the necessary regularity and diligence.

Age limit

In compliance with the age limit set by the Supervisory Board, as a rule, only persons who are no more than 70 years old at the time of their election or re-election should be proposed for election to the Supervisory Board.

Implementation of the objectives for the composition, competence profile and diversity policy for the Supervisory Board in the past financial year; independent members of the Supervisory Board

The Supervisory Board and its Nomination Committee take into account the objectives for the composition of the Supervisory Board and the requirements set out in the diversity policy when selecting and nominating candidates for the Supervisory Board.

In the opinion of the Supervisory Board, its current composition fulfills the objectives for composition and fulfills the competence profile and diversity policy. The members of the Supervisory Board have the professional and personal skills and qualifications deemed necessary. They are familiar with the sector in which the company operates and have the knowledge, skills, and experience that are essential to GRAMMER in the areas mentioned, particularly management and leadership, strategy, market and business development, human resources, ESG and sustainability, law, compliance and corporate governance, restructuring, and transformation. Some of the members of the Supervisory Board work internationally or have many years of international experience. Due consideration is given to diversity on the Supervisory Board. Until March 31, 2025, the Supervisory Board had five female members, including three shareholder representatives and two employee representatives. Between

April 1, 2025, and May 22, 2025, there were four female members, two representing shareholders and two representing employees. Since the end of the 2025 Annual General Meeting on May 22, 2025, the Supervisory Board has once again included five women, with two shareholder representatives and three employee representatives. This means that 41.7% of members of the Supervisory Board were women as of December 31, 2025. The shareholder representatives have assessed that there are currently four shareholder representative members – and therefore more than two – who are independent as stipulated by the GCGC. The defined age limit has been observed.

The status of implementation of the competence profile on the Supervisory Board is disclosed below in the form of a qualification matrix.

Qualification matrix – Shareholder representatives

as of December 31, 2025

		Dr.-Ing. Ping He	Dr. Markus Lauer	Jian Shi	Xiaolu Tang	Yiping Wang	Sijun Zhang	Dr. Martin* Kleinschmitt	Jürgen* Kostanjevec	Dagmar* Rehm	Gabriele* Sons	Prof. Dr.-Ing. Birgit Vogel-Heuser
	Member since / elected until	2020 / 2030	04/2025 / 2030	04/2025 / 2030	04/2025 / 2030	04/2025 / 2030	04/2025 / 2030	2022 / 03/2025	2020 / 03/2025	2022 / 03/2025	2020 / 03/2025	2017 / 03/2025
Function	Supervisory Board	Chairman	Member	Member	Member	Member	Member	Chairman	Member	Member	Member	Member
	Audit Committee				Chairwoman		Member	Member		Chairwoman		
	Nomination Committee	Member	Chairman	Member				Member		Member	Chairwoman	
	Personnel and Mediation Committee	Member	Chairman					Member			Chairwoman	
	Strategy Committee	Chairman					Member	Member				Chairwoman
	Chairman's Committee	Member						Member				
Independence	Independence according to DCGK	yes	yes	yes	yes	no	no	yes	yes	yes	yes	yes
Diversity	Sex	male	male	female	female	male	male	male	male	female	female	female
	Age cluster	66 – 75	46 – 55	46 – 55	36 – 45	56 – 65	36 – 45	56 – 65	56 – 65	56 – 65	56 – 65	56 – 65
	Nationality	Chinese	German	Chinese	Chinese	Chinese	Chinese	German	German	German	German	German
	International Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Educational background	Engineer	Lawyer	Economist	Economist	Economist	Economist	Lawyer	Ingenieur	Economist	Lawyer	Engineer
Professional competences	Management / Leadership		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Strategie / Market Development / Business Development	✓		✓	✓	✓	✓		✓	✓		✓
	Corporate development and organization		✓		✓	✓	✓	✓	✓	✓	✓	✓
	Industry and sector knowledge in GRAMMER business segments (global perspective)	✓		✓		✓	✓	✓	✓			

		Dr.-Ing. Ping He	Dr. Markus Lauer	Jian Shi	Xiaolu Tang	Yiping Wang	Sijun Zhang	Dr. Martin* Kleinschmitt	Jürgen* Kostanjevec	Dagmar* Rehm	Gabriele* Sons	Prof. Dr.-Ing. Birgit Vogel-Heuser
Professional competences	Operations / Operational Excellence					✓			✓			✓
	New technologies, products and services	✓										✓
	Digitalization / IT / Software	✓										✓
	Sales / Marketing					✓			✓			✓
	Human Resources / New Work		✓			✓		✓			✓	
	ESG / Sustainability	✓	✓	✓	✓			✓	✓	✓	✓	
	Legal / Compliance / Corporate Governance		✓		✓			✓	✓	✓	✓	
	Control systems (CMS, RMS, ICS, internal audit)				✓		✓	✓	✓	✓		
	Accounting			✓	✓		✓	✓		✓		
	Financial audit				✓		✓	✓		✓		
	Restructuring / Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Financing / Capital Markets	✓	✓	✓	✓			✓		✓		
	Experience in Advisory or Supervisory Boards	✓		✓				✓		✓	✓	✓
Proven Expert	Financial expert pursuant to Sec. 100 (5) AktG											
	Accounting Expert				✓			✓				
	Audit Expert						✓			✓		
	ESG Expertise according to DCGK				✓					✓		

Note: at least 75% as part of the annual self-assessment

* Resigned from the Supervisory Board with effect from March 31, 2025

Qualification matrix – Employee representatives

as of December 31, 2025

		Udo Fechtner	Klaus Bauer	Andrea Elsner	Martin Heiß	Caterina Messina	Nicole Schobert	Peter Kern
	Member since / elected until	2023 / 2030	2020 / 2030	2015 / 2030	2015 / 2030	01/2025 / 2030	05/2025 / 2030	2025 / 05/2025
Function	Supervisory Board	Deputy Chairman	Member	Member	Member	Member	Member	Member
	Audit Committee			Member			Member	
	Nomination Committee							
	Personnel and Mediation Committee	Member			Member			
	Strategy Committee	Member			Member			
	Chairman's Committee	Member						
Independence	Independence according to DCGK	–	–	–	–	–	–	–
Diversity	Sex	male	male	female	male	female	female	male
	Age cluster	56 – 65	46 – 55	46 – 55	46 – 55	46 – 55	46 – 55	56 – 65
	Nationality	German	German	German	German	German	German	German
	International Experience							
	Educational background	Toolmaker	Engineer	Industrial clerk	Data processing clerk	Lawyer	Industrial clerk	Locksmith
Professional competences	Management/Leadership	✓	✓		✓			✓
	Strategy / Market Development / Business Development	✓					✓	
	Corporate development and organization	✓					✓	
	Industry and sector knowledge in GRAMMER business segments (global perspective)	✓	✓	✓				✓
	Operations / Operational Excellence	✓	✓					
	New technologies, products and services	✓						
	Digitalization / IT / Software				✓			
	Sales / Marketing			✓			✓	
	Human Resources / New Work	✓		✓	✓		✓	✓
	ESG / Sustainability		✓					
	Legal / Compliance / Corporate Governance	✓					✓	
	Control systems (CMS, RMS, ICS, internal audit)	✓						

		Udo Fechtner	Klaus Bauer	Andrea Elsner	Martin Heiß	Caterina Messina	Nicole Schobert	Peter Kern
Professional competences	Accounting						✓	
	Financial audit							
	Restructuring / Transformation	✓		✓			✓	
	Financing / Capital Markets						✓	
	Experience in Advisory or Supervisory boards	✓		✓	✓			
Proven Expert	Financial expert pursuant to Sec. 100 (5) AktG							
	Accounting Expert							
	Audit Expert							
	ESG Expertise according to DCGK							

Note: at least 75% as part of the annual self-assessment

8. Directors' dealings

Members of the Executive Board and Supervisory Board, as well as persons closely related to them, are required to disclose transactions involving GRAMMER AG shares and debt securities or related financial instruments if the value of the transactions exceeds EUR 20,000 within one calendar year. Transactions reported to GRAMMER AG are published in accordance with regulations and are available at <https://www.grammer.com/investor-relations/corporate-governance/>. No transactions were reported in the past financial year.

9. Annual General Meeting and shareholder communication

Shareholders exercise their rights at the Annual General Meeting. Pursuant to Section 22 (5) of the Articles of Association, the Executive Board is authorized to stipulate that Annual General Meetings taking place until May 9, 2028, may be held without shareholders or their proxies being present in person at the venue of the Annual General Meeting (i.e., as virtual Annual General Meetings).

Among other things, the Annual General Meeting decides on the appropriation of profits, the ratification of the actions of the members of the Executive Board and the Supervisory Board,

and the selection of the auditor. Amendments to the Articles of Association and changes in capital are decided upon by the Annual General Meeting and implemented by the Executive Board. The Annual General Meeting also decides on the approval of the remuneration system for the Executive Board, the remuneration of the Supervisory Board, and the approval of the remuneration report.

By using electronic means of communication, particularly the internet, the Executive Board makes it easier for shareholders to participate in the Annual General Meeting and enables them to instruct and be represented by proxies in the exercise of their voting rights; the proxies can also be contacted during the Annual General Meeting. Shareholders may also cast their votes in writing or by electronic means (mail-in voting). Shareholders may submit motions regarding resolutions proposed by the Executive Board and Supervisory Board and challenge resolutions passed by the Annual General Meeting.

The reports, documents, and information required by law for the Annual General Meeting, including the annual report, are available on the internet, as are the agenda for the Annual General Meeting and, where applicable, counter-motions or election pro-

posals from shareholders that are required to be disclosed. When elections to the Supervisory Board are held for shareholder representatives, a detailed résumé is published for each candidate.

The Annual General Meeting on May 22, 2025, was held as a virtual Annual General Meeting.

As part of its investor relations work, the company provides comprehensive information about developments within the company. In addition to quarterly reports, half-yearly financial and annual reports, ad hoc reports, and analyst presentations, the financial calendar for the current year is published at <https://www.grammer.com/en/investor-relations/>. This contains the key publication dates for financial communications and the date of the Annual General Meeting. The Articles of Association of GRAMMER AG and the Rules of Procedure for the Supervisory Board, the declarations of conformity, and other documents relating to corporate governance are available on the GRAMMER AG website at <https://www.grammer.com/en/investor-relations/corporate-governance/>.

10. Executive Board members and their mandates

The Executive Board's members in the 2025 financial year were:

Name	Year	First appointed on	Appointed until	Seats on other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises	
				External mandates (as of December 31, 2025)	Group mandates (as of December 31, 2025)
Jens Öhlenschläger (Spokesman)	1964	January 1, 2019	December 31, 2026	None	<p>Board of Directors:</p> <ul style="list-style-type: none"> – Allygram Systems and Technologies Pvt. Ltd., India – GRAMMER Vehicle Parts (Harbin) Co., Ltd., China (until March 7, 2025) <p>Supervisory Board:</p> <ul style="list-style-type: none"> – Changchun GRAMMER FAWSN Vehicle Parts Co., Ltd., name changed to GRAMMER Vehicle Interior Components (Changchun) Co., Ltd. by October 29, 2025, VR China (until March 24, 2025) – GRAMMER (China) Holding Co., Ltd., VR China (until April 7, 2025) – GRAMMER Interior (Beijing) Co., Ltd., VR China (until March 24, 2025) – GRAMMER Interior (Changchun) Co., Ltd., VR China – GRAMMER Interior (Shanghai) Co., Ltd., VR China (until March 4, 2025) – GRAMMER Interior (Tianjin) Co., Ltd., VR China (until April 1, 2025) – GRAMMER Seating (Ningbo) Co., Ltd., VR China (until July 14, 2025) – GRAMMER Seating (Shaanxi) Co., Ltd., VR China (until April 27, 2025) – GRAMMER Vehicle Interiors (Hefei) Co., Ltd., VR China (until April 2, 2025) – GRAMMER Vehicle Parts (Shenyang) Co., Ltd., VR China (until March 25, 2025) – GRAMMER Vehicle Parts (Changzhou) Co., Ltd., VR China (until April 1, 2025) – GRAMMER JAPAN LTD., JAPAN
Jurate Keblyte	1975	August 1, 2019	March 31, 2025	<ul style="list-style-type: none"> – Supervisory Board of HAWE Hydraulik SE, Aschheim / Munich (not listed) – Member of the Supervisory Board of Ottobock SE & Co. KGaA, Duderstadt (not listed) – Member of the Supervisory Board of SAF-Holland SE, Bessenbach (publicly traded) 	None

Guoqiang Li (from April 4, 2024)	1974	April 1, 2024	March 31, 2027	None	<p>Board of Directors:</p> <ul style="list-style-type: none"> – GRAMMER Inc., USA – GRAMMER Vehicle Parts (Harbin) Co., Ltd., China – GRAMMER Interior (Tianjin) Co., Ltd., China (from April 1, 2025) – GRAMMER Seating (Shaanxi) Co., Ltd., China (from April 27, 2025) <p>Supervisory Board:</p> <ul style="list-style-type: none"> – GRAMMER (China) Holding Co., Ltd., China (from April 7, 2025) – No external or internal appointments
Thomas Strobl (from April 1, 2025, to June 20, 2025)	1968	April 1, 2025	June 20, 2025	None	
Kelvin (Bangen) Wang (from August 1, 2025)	1975	August 1, 2025	July 31, 2028	None	<p>Board of Directors:</p> <ul style="list-style-type: none"> – GRAMMER Seating (Ningbo) Co., Ltd., China – GRAMMER Interior (Beijing) Co. Ltd., China – GRAMMER Interior (Changchun) Co. Ltd., China – Changchun GRAMMER FAWSN Vehicle Parts Co., Ltd., name changed to GRAMMER Vehicle Interior Components (Changchun) Co., Ltd. by October 29, 2025, China – GRAMMER (China) Holding Co., Ltd., China – GRAMMER Interior (Shanghai) Co. Ltd., China – GRAMMER Interior (Tianjin) Co., Ltd., China – GRAMMER Vehicle Parts (Changzhou) Co., Ltd., China – GRAMMER Seating (Shaanxi) Co., Ltd., China – GRAMMER Vehicle Parts (Shenyang) Co., Ltd., China – GRAMMER Vehicle Interiors (Hefei) Co., Ltd., China – GRAMMER Vehicle Parts (Harbin) Co., Ltd., China (until March 7, 2025) <p>Supervisory Board:</p> <ul style="list-style-type: none"> – GRAMMER Vehicle Parts (Qingdao) Co., Ltd., China – GRAMMER Vehicle Parts (Tianjin) Co. Ltd., China – GRAMMER Vehicle Parts (Changchun) Co., Ltd., China

11. Supervisory Board members and their mandates

The Supervisory Board's members in the 2025 financial year were:

Name, place of residence	Profession	Year of birth	Member since	Appointed until ¹	Seats on other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises (as of December 31, 2025)
Dr. Martin Kleinschmitt, Berlin (Chair)	Managing Director of Noerr Consulting GmbH & Co. KG	1960	May 18, 2022	March 31, 2025	– Chair of the Supervisory Board of SAF-HOLLAND SE ³ , Bessenbach – Chair of the Supervisory Board of SAF-HOLLAND GmbH, Bessenbach – Chair of the Supervisory Board of G&H Bankensoftware AG, Berlin – Member of the Supervisory Board of Lech-Stahlwerke GmbH, Meitingen
Udo Fechtner², Kümmersbruck (Deputy Chair)	Primary authorized representative of IG Metall Amberg	1965	October 1, 2023	2030	– Member of the Supervisory Board of Pensionskasse Maxhütte VVaG, Sulzbach-Rosenberg
Klaus Bauer², Ensdorf	Plant manager, GRAMMER Deutschland GmbH, Kümmersbruck	1970	September 1, 2020	2030	–
Andrea Elsner², Ebermannsdorf	Industrial manager, member of the Works Council at GRAMMER AG	1979	May 20, 2015	2030	–
Dr. Ping He, Wenzenbach-Irlbach	Former development engineer at the Powertrain Division of Continental AG (retired) (Chair of the Supervisory Board until December 31, 2025)	1957	July 8, 2020	2030	–
Martin Heiß², Sulzbach-Rosenberg	Data processing specialist, Chair of the Works Council at GRAMMER AG	1971	May 20, 2015	2030	–
Peter Kern², Kümmersbruck	Locksmith, member of the Works Council at GRAMMER AG	1963	July 8, 2020	May 22, 2025	–
Jürgen Kostanjevec, Cologne	Independent consultant	1961	July 8, 2020	March 31, 2025	–
Dagmar Rehm, Langen	Independent management consultant	1963	May 18, 2022	March 31, 2025	– Member of the Supervisory Board of Koenig & Bauer AG ³ , Würzburg – Non-executive director, Renewable Power Capital Ltd., London, United Kingdom – Member of the Supervisory Board of Rail Capital Europe Investment SAS, Saint-Ouen, France

Name, place of residence	Profession	Year of birth	Member since	Appointed until¹	Seats on other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises (as of December 31, 2025)
Gabriele Sons, Berlin	Self-employed attorney at law in the Sons law firm	1960	July 8, 2020	March 31, 2025	– Member of the Supervisory Board of ElringKlinger AG ³ , Dettingen / Erms – Member of the Board of Directors of Accelleron Industries AG ³ , Baden, Switzerland
Prof. Dr. Birgit Vogel-Heuser, Garching	Electrical engineer, professor (Head of the Department of Automation and Information Systems at the Technical University of Munich)	1961	July 26, 2017	March 31, 2025	– Member of the Supervisory Board of HAWE Hydraulik SE, Aschheim / Munich
Caterina Messina ²	Lawyer on the Executive Board of IG Metall	1972	January 1, 2025	2030	– Member of the Supervisory Board of Finedining Topco GmbH (since October 2, 2025) – Member of the Supervisory Board of GE Wind Energy GmbH
Yiping Wang	Founder and Chairman of the Executive Board of Ningbo Jifeng Auto Parts Co., Ltd., Ningbo, China	1961	April 1, 2025	2030	– Founder and Chair of the Board of Directors of Ningbo Jifeng Auto Parts Co., Ltd., Ningbo, China ³
Sijun Zhang	Member of the Executive Board and CFO of Ningbo Jifeng Auto Parts Co., Ltd., Ningbo, China	1984	April 1, 2025	2030	– Member of the Board of Directors and CFO of Ningbo Jifeng Auto Parts Co., Ltd., Ningbo, China ³
Jian Shi	Head of the Investment Department at GAM Investment Management	1975	April 1, 2025	2030	–
Xiaolu Tang	Head of the Finance Department (CFO) at the Poggenpohl Group	1983	April 1, 2025	2030	–
Dr. Markus Lauer	Lawyer	1974	April 1, 2025	2030	–
Nicole Schobert ²	Industrial clerk, HR specialist (IHK), member of the Works Council at GRAMMER AG	1979	April 1, 2025	2030	–

¹ Term of office set to end at the close of the Annual General Meeting

² Employee representative

³ Listed

Report of the Supervisory Board



Dr. Markus Lauer

Chairman of the Supervisory Board

Dear Shareholders,

For GRAMMER, the 2025 financial year was marked by structural and operational changes amid persistently challenging macroeconomic circumstances. A weak global economy and the crisis in the automotive industry pose major challenges for the German economy. Against this backdrop, GRAMMER took further measures in the 2025 financial year to ensure a secure future. Measures such as capacity adjustments in line with demand and the restructuring and future-oriented collective agreement entered into began to take effect. We can see that GRAMMER has become significantly more resilient in operational terms as a result of the ongoing implementation of the “Top 10” measures and restructuring initiatives, despite a persistently difficult market environment, and we are confident that these initiatives will help to safeguard GRAMMER’s future viability.

We would like to express our special thanks to the employees, managers, and Executive Board of GRAMMER, all of whom have played significant roles in taking these important steps thanks to their commitment and willingness to embrace change. In times of multiple crises and exceptionally weak industry performance, difficult decisions often have to be made. That makes us all the more grateful for the support and trust that GRAMMER has received from its employees, and see this as a crucial foundation for our shared success in the future.

Supervisory and advisory activities of the Supervisory Board

During the past financial year, the Supervisory Board performed the duties incumbent upon it by law, the Articles of Association, and the Rules of Procedure with great diligence. We monitored and advised the Executive Board in the management of the company on the basis of its detailed written and oral reports. In addition, regular information-sharing took place between the Chair of the Supervisory Board and the Executive Board, and particularly the Chair of the Executive Board. Consequently, the Supervisory Board was informed at all times about the intended business policy, corporate planning, including financial, capital expenditure, and personnel planning, the profitability and financial position of the company, as well as the course of business and the situation of the company and the Group. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the company and discussed them in detail with the Executive Board. Insofar as resolutions or mea-

asures taken by the management required the approval of the Supervisory Board in accordance with the law, the Articles of Association, or the Rules of Procedure, the members of the Supervisory Board – with the assistance of the committees in some cases – approved these after review and discussion.

The topics discussed at the meetings of the full Supervisory Board

Last year, the Supervisory Board of GRAMMER AG held five regular and three special meetings. Of these, one meeting was held as a purely in-person meeting, five were held as hybrid meetings, i.e., in-person meetings with the option of participating virtually, and two were held virtually only, via video. There were no meetings held as conference calls.

The Executive Board’s reports on the revenue and earnings performance of GRAMMER AG and the Group, as well as the financial position and results of operations, were regularly discussed at our full meetings. The reports also included updates on the “Top 10” measures program and the associated initiatives to cut costs and increase profitability. We also dealt with transactions requiring approval and personnel issues on an ad hoc basis. In addition, the Executive Board reported on the continuing tense economic situation and its impact on GRAMMER. In particular, we discussed risks arising from significantly lower call-off orders, especially from European customers in the automotive sector, coupled with increased costs, particularly for personnel. The Supervisory Board also met

regularly without the Executive Board. Agenda items relating to either the Executive Board itself or internal Supervisory Board matters were discussed.

In addition to the Executive Board's report on the current situation of the company, the agenda for the first regular meeting of the Supervisory Board on March 26, 2025, mainly included the approval and thus adoption of the annual financial statements and consolidated financial statements as of December 31, 2024, as well as the management reports for GRAMMER AG and the Group, related resolutions, and the appropriation of profits for the 2024 financial year. The board also approved the agenda for the 2025 Annual General Meeting and agreed to the sale of the stake in GRA-MAG Truck Interior Systems LLC, USA. In addition, the performance evaluation of the Executive Board for the 2024 financial year was carried out without the Executive Board being present.

The main items on the agenda of the second regular meeting of the Supervisory Board, which took place on May 22, 2025, were the election of the Chair and Deputy Chair of the Supervisory Board and the formation and appointment of committees, due to the re-election of the members of the Supervisory Board by the Annual General Meeting on the same day. The Executive Board also reported on the current business situation and the status of individual "Top 10" measures.

The third regular meeting of the Supervisory Board took place on September 18, 2025. The Executive Board reported in detail on the company's current business situation, once again placing particular emphasis on the "Top 10" measures, the associated key projects, and their implementation status. The Supervisory Board also received reports on cyber and information security at GRAMMER. As part of a review, the Supervisory Board was informed about past activities of the Strategy Committee.

The fourth regular Supervisory Board meeting took place on November 11, 2025. As part of the Supervisory Board's continuing professional development, the board was briefed by an external speaker on the role of the Supervisory Board in economic crises and received reports on risk and KPI monitoring as well as GRAMMER's financing profile. The Executive Board once again provided a detailed report on the current business situation and current key areas of focus. Another item on the agenda was the report on the results of the Supervisory Board's self-assessment.

At the fifth regular Supervisory Board meeting on December 16, 2025, the Executive Board informed the Supervisory Board about the current situation as part of its regular reporting and provided an update on the Group's strategy and strategic initiatives. The meeting also focused on discussing the preliminary budget for the 2026 financial year presented by the Executive Board and the preliminary medium-term planning for the years 2027 to 2030. The adoption of the budget and medium-term planning was postponed until January/February 2026. There was also comprehensive reporting on the topics of risk management, internal control systems, compliance, and internal auditing, as well as on the status of sustainability reporting at GRAMMER. Furthermore, the Supervisory Board discussed the recommendations of the German Corporate Governance Code and adopted the 2025 declaration of conformity. The Supervisory Board also discussed the remuneration system for the Executive Board.

In addition to the regular meetings of the Supervisory Board, the committee held three special meetings.

The first special meeting of the Supervisory Board took place on February 6, 2025. The purpose of the meeting was to terminate the appointment of Ms. Jurate Keblyte as a member of the Execu-

tive Board effective March 31, 2025, and to appoint Mr. Thomas Strobl as a member of the Executive Board effective April 1, 2025.

Due to the resignation of several shareholder representatives from the Supervisory Board, a second special meeting of the Supervisory Board was held on April 1, 2025, at which the election of the Chair of the Supervisory Board and the replacement of committee members were on the agenda. In addition, the candidates for the Supervisory Board's nomination for the election of Supervisory Board members at the 2025 Annual General Meeting were approved.

The focus of the third special meeting of the Supervisory Board on June 17, 2025, was the termination of Mr. Thomas Strobl's appointment as a member of the Executive Board effective June 20, 2025, and the appointment of Mr. Kelvin (Bangben) Wang as a member of the Executive Board effective August 1, 2025.

German Corporate Governance Code

At its meeting on December 16, 2025, the Supervisory Board approved a declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG). Information on corporate governance can be found in the corporate governance statement, which is publicly available at www.grammer.com/en/investor-relations/corporate-governance/. The declaration of conformity is permanently available on the website at www.grammer.com/en/investor-relations/corporate-governance/. The current declaration of conformity is also reproduced in the corporate governance statement.

Work in the committees of the Supervisory Board

During the reporting year, the Supervisory Board had five committees. They prepare resolutions and topics to be discussed at the meetings of the full Supervisory Board. Within the limits permitted by law, decision-making powers of the Supervisory Board are delegated to committees. The committee chairs generally report to the Supervisory Board on the committee's work at the subsequent meeting in each case. The tasks and members of the committees are listed in detail in the corporate governance statement.

The **Audit Committee** held four regular meetings. One meeting was held as a purely in-person meeting, one as a hybrid meeting, i.e., an in-person meeting with the option of participating virtually, and two via video conference. The Audit Committee reviewed the annual financial statements and management reports for GRAMMER AG and the Group in the presence of the auditor and the Executive Board. It discussed the half-year financial report and quarterly reports with the Executive Board. In the course of preparing and conducting the audit, the Audit Committee, particularly the chair, regularly exchanged information with the auditor without the involvement of the Executive Board and reported on this to the committee. The Audit Committee also dealt with accounting and the accounting process, the adequacy and effectiveness of the company's internal control system and risk management system, and the effectiveness and findings of the internal audit. The Audit Committee also dealt with compliance with legal provisions, regulations, and internal company policies. One set of topics concerned the preparation of sustainability reporting in accordance with Directive (EU) No. 2022/2464 of the European Parliament and of the Council.

In a circular resolution, it assigned the audit to the auditor selected by the Annual General Meeting for the 2025 financial year.

The **HR and Mediation Committee** met seven times during the past financial year, holding two regular meetings and five special meetings. One meeting was held in person and six were held virtually via video conference. In particular, the committee prepared the Supervisory Board's resolutions on the achievement and determination of performance criteria and targets for the variable remuneration of the Executive Board for the previous and current financial years, as well as the preparation of the remuneration report for the previous financial year. In addition, the committee dealt with the replacement of Executive Board members and the change to the Chair of the Supervisory Board. Another topic of discussion was a possible adjustment to the remuneration system for the Executive Board and Supervisory Board for the 2026 financial year.

The **Strategy Committee** did not meet in the 2025 financial year, as the Executive Board and Supervisory Board had agreed to temporarily suspend the committee's activities and resume them in mid-2026.

The **Executive Committee** met four times, with all meetings being held as conference calls. The Executive Committee prepared the regular meetings and resolutions of the Supervisory Board and coordinated the work of the committees, primarily with regard to meeting content and focal points.

The **Nomination Committee** met twice during the past financial year, once in person and once via video conference, and dealt with the preparation of the election of shareholder representatives to the Supervisory Board, which was scheduled to take place at the 2025 Annual General Meeting.

Continuing professional development for the Supervisory Board

The members of the Supervisory Board are responsible for undertaking the training and continuing professional development measures necessary for their duties and are supported in this by the company. Lectures on current topics are offered for targeted continuing professional development, particularly in the context of committee meetings. At its meeting on November 11, 2025, the Supervisory Board received information on the role of the Supervisory Board in economic crises.

Disclosure of individual meeting attendance

Member attendance was 95% at Supervisory Board meetings, 94% at Audit Committee meetings, and 100% at both HR and Mediation Committee and Executive Committee meetings. During the reporting year, meetings were held not only in person, but also virtually via video conference or as in-person meetings with the option of participating virtually (known as hybrid meetings). The meetings of the Executive Committee were held as conference calls.

Individual member attendance at meetings of the Supervisory Board and its committees is disclosed below:

Attendance at the meetings of the Supervisory Board

Number of meetings / attendance in %		Full Supervisory Board		Audit Committee		Personnel and Mediation Committees		Strategy Committee ¹		Nomination Committee		Chairman's Committee	
		Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %
Dr. Martin Kleinschmitt	Chairman (until March 31, 2025)	2/2	100	1/1	100	3/3	100	0/0	0	1/1	100	1/1	100
Udo Fechtner	Deputy Chairman	7/8	88	1/2	50	7/7	100	0/0	0			4/4	100
Klaus Bauer	Member	8/8	100										
Andrea Elsner	Member	8/8	100	4/4	100								
Dr. Ping He	Chairman (from April 1, 2025)	8/8	100			4/4	100	0/0	0			3/3	100
Martin Heiss	Member	8/8	100			7/7	100	0/0	0				
Peter Kern	Member (until May 22, 2025)	3/3	100										
Nicole Schobert	Member (until May 22, 2025)	5/5	100	2/2	100								
Jürgen Kostanjevec	Member (until March 31, 2025)	1/2	50										
Caterina Messina	Member	6/8	75										
Dagmar Rehm	Member (until March 31, 2025)	2/2	100	1/1	100					1/1	100		
Gabriele Sons	Member (until March 31, 2025)	2/2	100			3/3	100			1/1	100		
Prof. Dr. Birgit Vogel-Heuser	Member (until March 31, 2025)	2/2	100					0/0	0				
Yiping Wang	Member (from April 1, 2025)	5/6	83										
Sijun Zhang	Member (from April 1, 2025)	6/6	100	3/3	100			0/0	0	1/1	100		
Jian Shi	Member (from April 1, 2025)	6/6	100							1/1	100		
Xiaolu Tang	Member (from April 1, 2025)	6/6	100	3/3	100								
Dr. Markus Lauer	Member (from April 1, 2025)	6/6	100			4/4	100			1/1	100		
			95		94		100		0		100		100

¹Activities suspended in the 2025 financial year

Conflicts of interest

The members of the Supervisory Board of GRAMMER AG are required to disclose conflicts of interest, particularly those that may arise as a result of consulting or executive functions for customers, suppliers, lenders, or other business partners, first to the Chair of the Supervisory Board and then to the entire board without delay. No (potential) conflicts of interest involving members of the Executive Board or Supervisory Board arose during the reporting period.

Audit of annual and consolidated financial statements for 2025

At the suggestion of the Supervisory Board and in accordance with the recommendation of the Audit Committee, the Annual General Meeting of GRAMMER AG on May 22, 2025, selected BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, as the auditor for the annual and consolidated financial statements for the 2025 financial year. BDO audited the annual financial statements of GRAMMER AG, the consolidated financial statements, and the combined management report, and issued an unqualified audit opinion in each case. The auditors responsible were Björn Beck and Jorit Silber. Before being proposed as auditor by the Supervisory Board to the Annual General Meeting, BDO had confirmed that there were no circumstances that could impair its independence as auditor or give rise to doubts about its independence. The GRAMMER AG annual financial statements and management report were prepared in accordance with German commercial law. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). The audit was conducted in accordance with Section 317 of the HGB and in compliance with the German principles of proper auditing established by the Institute of Public Auditors. The auditors confirmed that the combi-

ned management report accurately described the situation of GRAMMER AG and the Group, as well as the risks and opportunities of future development. The audit of the early risk detection system as part of the annual audit found that the Executive Board had taken the measures required under Section 91 (2) of the German Stock Corporation Act (AktG), particularly the establishment of a monitoring system, in an appropriate manner and that the monitoring system was suitable for the early detection of developments that could jeopardize the continued existence of the company. All members of the Supervisory Board received the annual and consolidated financial statements of GRAMMER AG, the combined management report, the separate non-financial report, and the auditor's reports in good time. The Audit Committee conducted a preliminary review of these documents at its meeting on March 25, 2026, and reported on its findings to the Supervisory Board at its regular meeting the following day. The Supervisory Board then discussed the financial statements and reports in detail. Representatives of the auditor attended both meetings, reported on the results of their audits, and were available to answer questions. In particular, the results relating to key audit matters for GRAMMER AG and the Group for the 2025 financial year were presented. No significant weaknesses in the internal control system or risk management system were reported.

Following the final results of the audit of the annual and consolidated financial statements and the combined management report by the Audit Committee and the Supervisory Board, no objections were raised. In line with the recommendation of the Audit Committee, the Supervisory Board approved the results of the audit. The Supervisory Board approved the annual financial statements of GRAMMER AG and the consolidated financial statements for 2025 prepared by the Executive Board. The annual financial statements were thereby adopted. As part of its audit, the Supervisory Board also examined the separate

non-financial report in accordance with Sections 289b and 315b of the HGB and concluded that it met the existing requirements and that no objections were to be raised. The auditor also formally reviewed the report on the remuneration of the Executive Board and Supervisory Board for the 2025 financial year (remuneration report) prepared by the Executive Board and Supervisory Board in accordance with Section 162 of the AktG and likewise raised no objections.

As at 31 December 2025, GRAMMER AG reported a net loss of EUR -244.1 million. This figure takes into account the net profit for the 2025 financial year of EUR 17.2 million. Due to the net loss for the past financial year 2025, the Executive Board recommends that no dividend be proposed to the 2026 Annual General Meeting.

Review of the Executive Board's report on relations with affiliated companies

GRAMMER AG is included as a fully consolidated subsidiary in the consolidated financial statements of Ningbo Jifeng Auto Parts Co., Ltd., China, which indirectly held 86.2% of the share capital of GRAMMER AG at the end of the reporting year. For this reason, the Executive Board of GRAMMER AG prepared a report on relations with affiliated companies (dependent company report) for the 2025 financial year in accordance with Section 312 of the AktG and submitted it to the Supervisory Board in a timely manner. The auditor has reviewed the dependent company report. As there were no objections to be raised following the final results of the audit, the auditor issued the following audit opinion in accordance with Section 313 (3) of the AktG: "Following our audit and judgment, performed in keeping with our professional duties, we hereby confirm that (1.) the statements as to fact made in the report are accurate, (2.) the performance by the company under the legal transactions set out in the report was not excessive."

The dependent company report and the auditor's audit report were submitted to and reviewed by the Audit Committee and the Supervisory Board. The review did not give rise to any objections. Based on the final results of the preliminary review by the Audit Committee and our own review, the Supervisory Board has no objections to the Executive Board's statement on relations with affiliated companies pursuant to Section 312 (3) sentence 1 of the AktG. The results of the audit of the controlled company report by the auditor are approved.

Changes to the Supervisory Board and Executive Board

The following changes occurred in the Supervisory Board during the reporting year. Effective January 1, 2025, and until the end of the Annual General Meeting on May 22, 2025, Ms. Caterina Messina was appointed to the Supervisory Board as an employee representative by the Local Court – Registry Court – Amberg.

Effective March 31, 2025, Dr. Martin Kleinschmitt, Mr. Jürgen Kostanjevec, Ms. Dagmar Rehm, Ms. Gabriele Sons, and Prof. Birgit Vogel-Heuser resigned from their positions. For a transitional period effective April 1, 2025, until the end of the Annual General Meeting on May 22, 2025, Mr. Yiping Wang, Mr. Sijun Zhang, Ms. Jian Shi, Ms. Xiaolu Tang, and Dr. Markus Lauer were appointed as members of the Supervisory Board by the Local Court – Registry Court – Amberg. Dr. Ping He took over as Chair of the Supervisory Board on April 1, 2025.

At the Annual General Meeting of GRAMMER AG on May 22, 2025, the court-appointed members of the Supervisory Board, Dr. Markus Lauer, Ms. Jian Shi, Ms. Xiaolu Tang, Mr. Yiping Wang, and Mr. Sijun Zhang, were confirmed as members of the Supervisory Board. Similarly, Dr. Ping He, whose term of office ended at the close of

the Annual General Meeting on May 22, 2025, was re-elected to the Supervisory Board by the Annual General Meeting.

Dr. Ping He resigned as Chair of the Supervisory Board effective at the end of 2025. At its meeting on December 16, 2025, the Supervisory Board elected Dr. Markus Lauer as Chair of the Supervisory Board effective January 1, 2026.

At the end of April 2025, GRAMMER AG employees elected their representatives, Mr. Klaus Bauer, Ms. Andrea Elsner, Mr. Udo Fechtner, Mr. Martin Heiss, Ms. Caterina Messina, and Ms. Nicole Schobert, to the Supervisory Board effective from the end of the Annual General Meeting on May 22, 2025.

The following change occurred in the Executive Board during the reporting year: Ms. Jurate Keblyte decided to leave the company at her own request on March 31, 2025. The Supervisory Board approved her resignation from office and appointed Mr. Thomas Strobl to the Executive Board effective April 1, 2025. Mr. Thomas Strobl left the company by mutual agreement with the Supervisory Board effective June 20, 2025. Effective August 1, 2025, Mr. Kelvin (Bangben) Wang was appointed to the Executive Board as Group Chief Financial Officer.

Acknowledgments

On behalf of the entire Supervisory Board, I would like to express our sincere thanks and respect to all GRAMMER employees for their hard work over the past financial year. We would also like to express our gratitude to the members of the Executive Board, who once again steered the company through very difficult market circumstances.

The Supervisory Board would also like to express its special thanks to the shareholders, particularly the Wang family as representatives of the main shareholder, who placed their trust in the Executive Board and Supervisory Board of GRAMMER AG over the past year.

Finally, I would also like to thank the members of the Supervisory Board for their consistently constructive and congenial cooperation. On behalf of the other members of the Supervisory Board, I would like to thank my predecessor, Dr. Ping He, for his dedication and outstanding work as Chair of the Supervisory Board during a challenging 2025 financial year for GRAMMER. On behalf of the other members of the Supervisory Board, I wish GRAMMER AG all the best for the future.

Ursensollen, March 2026
On behalf of the Supervisory Board



Dr. Markus Lauer
Chairman

Remuneration Report in accordance with Section 162 of the German Stock Corporation Act

The remuneration report, prepared jointly by the Executive Board and the Supervisory Board of GRAMMER AG in accordance with Section 162 of the German Stock Corporation Act (AktG), describes the basic features of the remuneration system for both the Executive Board and the Supervisory Board. The remuneration report provides information on the remuneration awarded and due to current and former members of the Executive Board and Supervisory Board in the fiscal year 2025 in accordance with the remuneration system applicable for the fiscal year 2025. The report takes into account the recommendations and suggestions of the German Corporate Governance Code (GCGC) in the version dated April 28, 2022 (published on June 27, 2022).

In accordance with Section 162 (3) AktG, BDO AG has formally audited the remuneration report. The remuneration report and the note regarding the audit are published on the website of GRAMMER AG (www.grammer.com).

On May 22, 2026 the remuneration report is expected to be submitted to the Annual General Meeting for approval in accordance with the requirements of Section 120a (4) AktG.

The Executive Board and Supervisory Board of GRAMMER AG submitted the remuneration report for fiscal year 2025 prepared in accordance with section 162 of the German Stock Corporation Act (AktG) to the Annual General Meeting on May 22, 2025 for resolution. It has been approved with a 99.76% approval rate. The Executive Board and Supervisory Board of GRAMMER AG regard this high approval rate as a clear confirmation of the form and content of the remuneration report and will therefore maintain the previous structure when preparing the remuneration report for fiscal year 2025.

1. Review of the fiscal year 2025

Group performance in 2025 was marked by persistent macroeconomic and sector specific uncertainty. Demand across large parts of the passenger car and commercial vehicle industries remained subdued. These conditions were further intensified over the year by significant trade policy uncertainty. Against this backdrop, Group revenue amounted to EUR 1,821.2 million, below the prior year's EUR 1,921.7 million. Despite the challenging market environment, GRAMMER AG significantly increased its operating earnings to EUR 75.1 million. This improvement was driven principally by the disciplined implementation of the „Top 10“ program, including restructuring measures, efficiency improvement initiatives and the mitigation of higher costs through customer contributions, and by the restructuring and future collective bargaining agreements concluded in 2025 for the sites in the Amberg area.

During the past fiscal year, Chief Financial Officer Jurate Keblyte elected to leave the company at her own request, effective March 31, 2025. The Supervisory Board accepted her resignation and appointed Thomas Strobl to the Executive Board effective April 1, 2025. Effective June 20, 2025 Thomas Strobl left the company by mutual agreement with the Supervisory Board; his service agreement ended on July 31, 2025. Effective August 1, 2025, Kelvin (Bangben) Wang was appointed to the Executive Board as Group Chief Financial Officer.

Effective January 1, 2025, and until the closing of the Annual General Meeting that voted to grant discharge to the Supervisory Board for the 2024 fiscal year, Caterina Messina was appointed by the District Court (Register Court) of Amberg as employee representative on the Supervisory Board, succeeding Antje Wagner.

Effective April 1, 2025, and until the closing of the Annual General Meeting that decided on discharge for the Supervisory Board

for the 2024 fiscal year, the District Court (Register Court) of Amberg appointed Dr. Markus Lauer, Jian Shi, Xiaolu Tang, Yiping Wang and Sijun Zhang to the Supervisory Board. The appointments followed the resignations of Dr. Martin Kleinschmitt, Dipl.-Ing. Jürgen Kostanjevec, Dipl.-Volkswirtin Dagmar Rehm, Gabriele Sons and Prof. Dr.-Ing. Birgit Vogel Heuser, who ended their mandates effective March 31, 2025. Dr.-Ing. Ping He assumed the chairmanship of the Supervisory Board with effect from April 1, 2025. Since January 1, 2026, Dr. Markus Lauer has served as Chairman of the Supervisory Board.

At the Annual General Meeting of GRAMMER AG on May 22, 2025, the court appointed Supervisory Board members Dr. Markus Lauer, Jian Shi, Xiaolu Tang, Yiping Wang and Sijun Zhang were confirmed as members of the Supervisory Board.

Dr.-Ing. Ping He, whose term expired at the close of the Annual General Meeting on May 22, 2025, was re elected to the Supervisory Board by the shareholders.

At the end of April 2025, employees of GRAMMER AG elected their representatives, Klaus Bauer, Andrea Elsner, Udo Fechtner, Martin Heiß, Caterina Messina and Nicole Schobert, to the Supervisory Board, effective at the close of the Annual General Meeting on May 22, 2025.

In light of the continued challenging operating environment and as a cost reduction measure, the members of the Executive Board incumbent at the end of the fiscal year declared that they would partially waive performance based remuneration under the Short term incentive (STI) for fiscal years 2025 and 2026 and would also partially waive pension entitlements for 2025 and 2026. Members of the Supervisory Board likewise declared a partial waiver of their fixed remuneration components.

2. Overview of the Remuneration system of the Executive Board

2.1 Principles

On June 23, 2021 the remuneration system for the members of the Executive Board of GRAMMER AG described below was approved for the first time by the Annual General Meeting with an approval rate of 99.89% and has been in place since the fiscal year 2021 for all active members of the Executive Board. It was reapproved by the Annual General Meeting on May 22, 2025, with 99.76% shareholder support and therefore applies to all incumbent members of the Executive Board in the 2025 reporting year.

The remuneration system adopts a clear pay-for-performance approach, setting ambitious targets that are aligned with the corporate strategy. In addition, the remuneration system is more closely oriented to the capital market by offering a revised Long-term incentive in the form of a performance share plan. Among other things, the Short-term incentive includes ESG objectives, i.e. environmental aspects, social objectives, and responsible corporate governance, in order to provide an incentive for sustainable and responsible development at GRAMMER AG.

The principles of the remuneration system are explained below.

2.2 Remuneration elements

The remuneration system of the Executive Board of GRAMMER AG consists of both fixed and variable components. In this context, a high proportion of the remuneration is performance-related. The variable remuneration components comprise a Short-term incentive (STI) and a Long-term incentive (LTI). The table below shows the main principles of the remuneration system.

Fixed components

Fixed remuneration	Contractually agreed fixed remuneration paid in twelve equal monthly installments
Ancillary benefits	Standard ancillary benefits (including company car and insurance cover)
Retirement benefits	Cash amount that can be used by the member of the Executive Board for private pension savings

Variable components

Short-term incentive (STI)

Plan type	Annual target bonus plan
Cap	170% of the target amount
Performance criteria	<ul style="list-style-type: none"> • Net income, EBIT or EBT (determined annually by the Supervisory Board) • Free cash flow (FCF) • Strategic and ESG goals, e.g. compliance, environmental protection, economic stability and growth
Payout	In cash after the end of the financial year

Long Term Incentive (LTI)

Plan type	Performance share plan
Cap	200% of the target amount
Performance criteria	<ul style="list-style-type: none"> • Total shareholder return (TSR) relative to the SDAX • ROCE
Performance period	Four years
Payout	In cash after four-year performance period

Further contractual regulations

Maximum remuneration	<ul style="list-style-type: none"> • EUR 2,700,000 for the Chairman of the Executive Board • EUR 1,800,000 for the other members of the Executive Board
Penalty / claw-back	Possibility of reducing or reclaiming performance-related remuneration in the event of serious breaches of duty or misstatements in the consolidated financial statements
Cap on termination benefits	Termination benefits may not exceed the value of two years' total remuneration

Fixed remuneration

The fixed remuneration is paid in twelve equal monthly installments at the end of each month. The members of the Executive Board do not receive any separate remuneration for accepting intra-Group mandates.

Benefits in kind

The members of the Executive Board are granted customary ancillary benefits such as insurance benefits in line with market practice as well as a company car.

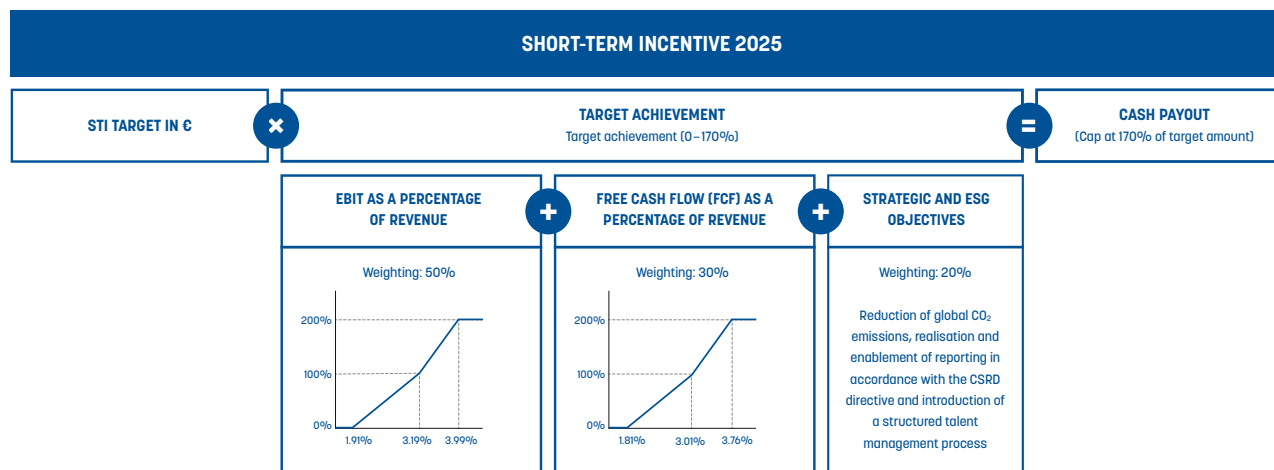
Pension substitute payment

Pension substitute payments are granted to the members of the Executive Board. This cash amount will be paid in December and can be used for private retirement provisions. A company financed pension plan does not exist. For the fiscal year 2025, the members of the Executive Board incumbent at the end of the fiscal year waived 10% of the pension substitute payments by letter dated November 3, 2025, and subsequent acceptance of the waiver by the Chairman of the Supervisory Board.

Short-term incentive

The Short-term incentive is structured as a target bonus system and includes financial, strategic, and ESG targets. The financial performance criteria are derived directly from the financial planning strategy and thus take into account the company's profitability and liquidity. In addition, the strategic and ESG objectives are intended to ensure the sustainability of the company's development.

The Short-term incentive (STI) 2025 complies with the remuneration system of GRAMMER AG, approved by the Annual General Meeting, and is described in the graphic below:



The Supervisory Board again set EBIT (Earnings Before Interest and Taxes) and Free Cash Flow, each as a percentage of revenue, as financial performance criteria for the STI and determined the individual weightings for the fiscal year 2025. Thus, the Supervisory Board considers profitability and liquidity of GRAMMER AG and supports the implementation of the financial planning strategy through the use of these core performance indicators.

EBIT as a percentage of revenue (50%) and Free Cash Flow (30%) are weighted at 80% of the total.

The reduction of global CO₂-emissions in terms of annual revenue, the realisation and enablement of reporting in accordance with the CSRD directive, as well as People & Culture with a focus on succession planning to achieve the targeted women quota and DEIB (Diversity, Equity, Inclusion & Belonging) and the WoW Pulse Survey as strategic and ESG objectives. Those strategic and ESG criteria were selected by the Supervisory Board from a catalog of criteria derived from the materiality analysis of sustainability reporting. Strategic and ESG targets are weighted at 20%. The individual targets were equally weighted at 6.7%.

For all performance criteria, a target achievement between 0% and 200% can be achieved. Target achievements at intermediate values are interpolated linearly.

The following table shows target achievements and objectives for every performance criterion of the Short-term Incentive for the fiscal year 2025:

STI 2025

	Weighting	Lower threshold	Target value	Upper threshold	Actual value	Target achievement
Earnings before Interest and Taxes (EBIT) (EBIT as % of revenue) ¹	50%	1.91%	3.19%	3.99%	3.15%	97%
Free Cash Flow as % of revenue	30%	1.81%	3.01%	3.77%	2.27%	38%
Reduction of global CO ₂ emissions in terms of annual revenue	6.7%	Previous year's value (16.7g)	-4% compared to previous year's value (16.0g)	-8% compared to previous year's value (15.4g)	15.85 g	125 %
Realisation and enablement of reporting in accordance with the CSRD directive	6.7%	Assessment of target achievement at the discretion of the Supervisory Board				100%
People & Culture focusing on succession planning to achieve the targeted women quota and DEIB and WoW Survey	6.7%	Assessment of target achievement at the discretion of the Supervisory Board				94%
Total target achievement	100%					81%

¹ For the purpose of this calculation, EBIT adjusted for the effects of the collective future agreement was used instead of the officially reported EBIT.

The basis for STI payments is the STI target amount specified in the service contracts, which is multiplied by overall target achievement of the financial, strategic, and ESG performance criteria. The STI payment is made in cash and capped at 170% of the STI target amount.

This results in the target and payout amounts shown in the table below for the 2025 short-term incentive: However, the members of the Executive Board incumbent at the end of the fiscal year, Jens Öhlenschläger, Guoqiang Li, and Kelvin (Bangben) Wang, waived 20% of their payouts from the STI for the fiscal year 2025 and 2026, as well as 10% of the payouts from pension substitute payments for the fiscal years 2025 and 2026 by letter dated November 3, 2025 and subsequent acceptance of the waiver by the Chairman of the Supervisory Board on November 11, 2025.

Target and payout amounts STI 2025

	Target value in EUR k	Target achievement in %	Calculated amount in EUR k	Payout in EUR k
Jens Öhlenschläger	276	81	224	179
Guoqiang Li	230	81	186	149
Kelvin (Bangben) Wang ¹	69	81	78	62
Former members of the Executive Board				
Jurate Keblyte ²	63	81	51	51
Thomas Strobl ³	53	81	43	43

¹ Pro-rated target value due to appointment as member of the Executive Board on August 1, 2025.

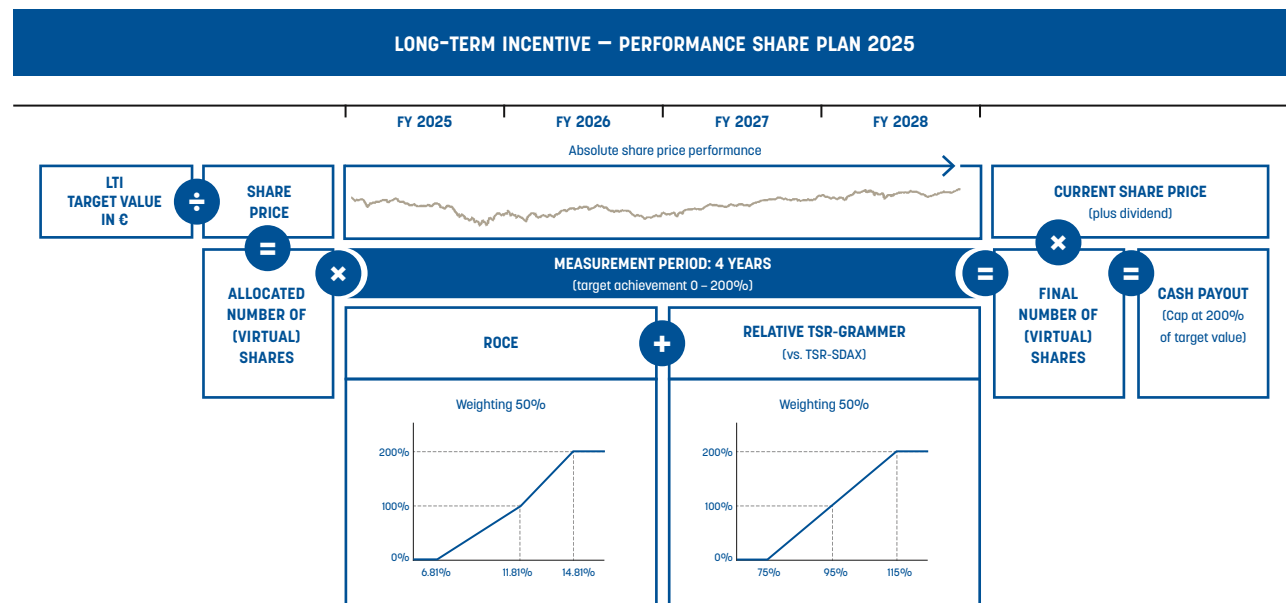
² Pro-rated target value due to resignation as member of the Executive Board on March 31, 2025.

³ Pro-rated target value due to appointment as member of the Executive Board on April 1, 2025 and termination of the Service Agreement on July 31, 2025.

⁴ The members of the Executive Board incumbent on December 31, 2025 waived 20% of the payouts from the variable compensation of the STI for the fiscal year 2025 by letter dated November 3, 2025 and subsequent acceptance of the waiver by the Chairman of the Supervisory Board.

Long-term incentive – Performance Share Plan

The Long-term incentive (LTI) 2025 is structured as a Performance Share Plan and corresponds to the remuneration system of GRAMMER AG approved by the Annual General Meeting.



With a performance period of four years, the LTI is geared towards the long-term development of GRAMMER AG and, through its orientation to the share price, provides an incentive for achieving continuous growth in enterprise value. By additionally taking into account the Company's share performance relative to the SDAX, the interests of the Executive Board and shareholders are further aligned and GRAMMER AG's competitiveness in the capital market enhanced.

Under the performance share plan, a number of virtual shares are contingently allocated at the beginning of the performance period. The number of virtual shares is determined by dividing the LTI target by the arithmetic mean of the closing prices for the GRAMMER AG share over the last 60 trading days before the start of the performance period (initial reference price).

For the performance share plan 2025 the following allocations of virtual shares were made:

LTI tranche 2025 allocation

	Target value in EUR k	Initial reference price in EUR	Number of virtual shares allocated
Jens Öhlenschläger	444	6.06	73,267
Guoqiang Li ¹	370	6.06	61,056
Kelvin (Bangben) Wang	154	6.06	25,440

Former members of the Executive Board

Jurate Keblyte ²	102	6.06	16,790
Thomas Strobl ³	-	6.06	-

¹ Pro-rated target value due to appointment as member of the Executive Board on August 1, 2025.

² Pro-rated target value due to resignation as member of the Executive Board on March 31, 2025.

³ The Supervisory Board and Mr. Strobl agreed on not granting long-term variable compensation for his tenure as member of the Executive Board due to a fixed-term appointment of one year.

In addition to the virtual share's performance target achievement is determined by the Return on Capital Employed (ROCE) and the relative total shareholder return (TSR).

ROCE is the ratio of earnings before interest and taxes (EBIT) reported for the applicable fiscal year to average operating assets in the same fiscal year, expressed as a percentage. ROCE provides an incentive for maximizing the long-term profitability and efficiency of GRAMMER AG's business activities. It is measured as an average over the performance period. For ROCE, the target for each LTI tranche is derived from the long-term forecast.

The relative total shareholder return (TSR) is based on GRAMMER AG's share performance as well as (notionally) reinvested dividends in comparison with the SDAX and thus places a particular focus on the development of the Company's enterprise value as well as its capital market orientation. This particularly strengthens the alignment between the interest of the Executive Board and those of the shareholders.

For the performance share plan's 2025 tranche the following target achievements for ROCE and relative TSR have been agreed on:

LTI tranche 2025 targets

	Lower threshold	Target value	Upper threshold
	0%	100%	200%
ROCE	6.81%	11.81%	14.81%
relative TSR	75%	95%	115%

The final number of virtual shares reached at the end of the performance period is multiplied by the arithmetic mean of the closing prices of the GRAMMER AG share during the last 60 trading days prior to the end of the performance period 2028 plus dividends paid per GRAMMER AG share during the performance period. The resulting payout amount is limited to 200% of the LTI target amount. Payout is in cash and will be described in the remuneration report in 2028.

The performance period of the 2022-2025 LTI Tranche was concluded with the end of fiscal year 2025. The following table shows the target achievements and objectives for every performance criterion of the LTI Tranche 2022-2025:

LTI Tranche 2022–2025

	Lower threshold	Target value	Upper threshold	Actual Value	Target achievement
	0%	100%	200%		
ROCE	4.25%	9.25%	12.25%	1.82%	0%
relative TSR	75%	95%	115%	32.48%	0%
Total target achievement					0%

For the LTI Tranche 2022-2025 the target achievement is 0%, resulting in no payout.

Payout amounts LTI Tranche 2022–2025

	Allocated number of virtual shares	Target achievement in %	Final number of virtual shares	Closing share price plus dividends in EUR	Payout in EUR k ¹
Members of the Executive Board incumbent at the end of the fiscal year					
Jens Öhlenschläger	19,372	0%	0	6.28	0
Former members of the Executive Board					
Jurate Keblyte	19,372	0%	0	6.28	0
Thorsten Seehars ¹	11,990	0%	0	6.28	0

¹Pro-rated target value due to resignation as member of the Executive Board on May 31, 2022.

Corresponding to a total target achievement of 0% the payout of the LTI Tranche 2022-2025 for the CEO Jens Öhlenschläger, the previous CFO Jurate Keblyte and the previous CEO Thorsten Seehars is EUR 0, and hence no remuneration awarded or due under the Long-Term Incentive is currently to be reported within the meaning of Section 162 AktG.

Malus and Clawback

The remuneration system defines malus and clawback provisions, which allow the Supervisory Board, in certain cases, to reduce variable remuneration components that have not yet been paid (malus) or reclaim variable remuneration components that have already been paid (clawback).

In the event of a significant breach of duty or a compliance violation on the part of a member of the Executive Board, the Supervisory Board may reduce the variable remuneration components (STI or LTI) in part or in full at its due discretion (malus). If variable remuneration components have already been paid, the Supervisory Board may also demand partial or full repayment of the variable remuneration amounts received in such cases (clawback).

If variable remuneration components are determined or paid on the basis of incorrect data, e.g. misstatements in the consolidated financial statements, the Supervisory Board may correct the determination or reclaim the remuneration components already paid.

This does not prejudice the Executive Board member's potential liability towards the Company for damages under Section 93 (2) AktG.

For fiscal year 2025, the Supervisory Board did not see any reason to make any reductions or claims for repayment against a member of the Executive Board.

Termination of the service contract

In the event of the premature termination of the service contract with a member of the Executive Board other than for good cause, payments to members of the Executive Board may not exceed the value of two years' worth of total remuneration and may not exceed the total remuneration for the remaining term of the service contract. The total annual remuneration as defined above comprises the fixed remuneration, the STI, the LTI and the pension substitute payment. If the service contract is

terminated for good cause for reasons for which the member of the Executive Board is responsible, no LTI payments are made to him or her.

In the event of incapacity due to illness or accident, the member of the Executive Board concerned receives fixed remuneration for a further nine months. If the member of the Executive Board is entitled to illness-related benefits from third parties (e.g. sick pay), the claims are reduced accordingly. In the event of protracted incapacity over more than six months, the target STI and LTI amounts are reduced on a time-prorated basis.

In the event of the death of a member of the Executive Board, the surviving dependents (spouse and dependent children) continue to receive fixed remuneration for the month of death (time-proportionate) as well as for a further period of six months starting at the end of the month of death as joint creditors.

In the event of premature termination of the service contract, any outstanding variable remuneration components attributable to the period up until the date of termination of the contract are paid on the basis of the originally agreed targets and performance criteria on the due dates specified above. There is no early payout.

All entitlement accruing under outstanding LTI tranches lapse without any remuneration if the service contract is terminated by the Company before the end of the performance period for good cause for which the member of the Executive Board concerned is responsible, his or her appointment is revoked due to gross breach of duty, or he or she steps down other than for good cause and without the Company's consent. Notwithstanding this, all outstanding LTI tranches are settled immediately at the agreed targets (100% target achievement) and paid to the member of the Executive Board or his or her heirs if the service contract lapses due to disability or the death of the member of the Executive Board.

No severance payments were made during fiscal year 2025. The service agreements of Jurate Keblyte and Thomas Strobl were terminated by mutual agreement effective March 31, 2025 and July 31, 2025, respectively. The variable remuneration components STI and LTI of Jurate Keblyte, and STI of Thomas Strobl, were correspondingly reduced on a pro rata basis for fiscal year 2025. Payments under the variable remuneration components are made at the end of the contractually agreed upon plan terms and no early payments will be made.

2.3 Individual disclosure of the Executive Board remuneration Target remuneration

When determining the specific target total remuneration of the members of the Executive Board, the Supervisory Board ensures that it is commensurate with the duties and performance of the member of the Executive Board in question and the Company's situation and thus conforms to the requirements of the German Stock Corporation Act and the recommendations of the GCGC. The target total remuneration is set at a level that ensures competitiveness in the market for highly qualified executives but does not exceed the customary remuneration in the absence of any special justification.

To ensure this, the Supervisory Board regularly reviews the target total remuneration of the members of the Executive Board of GRAMMER AG. External as well as internal comparisons are applied for this purpose: On the one hand, an external comparison is made with companies that are comparable in terms of size, country, and sector. Hence, the Supervisory Board performed a comparison with the companies listed on the SDAX.

In addition, an internal comparison is used to assess the remuneration structure within GRAMMER AG. For this purpose, the remuneration of the Executive Board is compared with the two highest pay scale groups and the non-pay scale employee remuneration, and the status quo of and changes in these ratios over time are analyzed.

The following table presents the target remuneration for the fiscal year 2024 and the target remuneration and respective relative share of every remuneration component for the fiscal year 2025:

Target remuneration (of the members of the Executive Board incumbent on December 31, 2025)

	Jens Öhlenschläger Spokesman of the Executive Board CEO Executive Board Member since January 1, 2019			Guoqiang Li COO Executive Board Member since April 1, 2024			Kelvin (Bangben) Wang CFO Executive Board Member since August 1, 2025		
	2025		2024	2025		2024	2025		2024
	in EUR k	in %	in EUR k	in EUR k	in %	in EUR k	in EUR k	in %	in EUR k
Fixed remuneration	488	35	488	435	36	326	181	37	–
Benefits in kind	17	1	11	39	3	24	9	2	–
Pension substitute payment	150	11	150	125	10	94	52	11	–
Short-term variable remuneration	276	20	276	230	19	173	96	19	–
<i>Short-term incentive 2024</i>	–	–	276	–	–	173	–	–	–
<i>Short-term incentive 2025</i>	276	–	–	230	–	–	96	–	–
Long-term variable remuneration	444	32	444	370	31	278	154	31	–
<i>Long-term incentive 2024–2027</i>	–	–	444	–	–	278	–	–	–
<i>Long-term incentive 2025–2028</i>	444	–	–	370	–	–	154	–	–
Total remuneration	1,375	100	1,369	1,199	100	894	492	100	–

Remuneration Awarded and Due

The following table shows the remuneration awarded and due individually for the fiscal year 2025 in accordance with Section 162 AktG (fixed remuneration, short-term incentive, long-term incentive, expenses for benefits) and their relative share. The term "remuneration awarded and due" describes remuneration

for which the underlying activity has been fully performed as of the end of fiscal year 2025.

In addition, the remuneration awarded and due in fiscal year 2024 is presented.

Remuneration awarded and due for the fiscal year (of the members of the Executive Board incumbent on December 31, 2025)

	Jens Öhlenschläger Spokesman of the Executive Board CEO Executive Board Member since January 1, 2019			Guoqiang Li COO Executive Board Member since April 1, 2024			Kelvin (Bangben) Wang CFO Executive Board Member since August 1, 2025		
	2025		2024	2025		2024	2025		2024
	in EUR k	in %	in EUR k	in EUR k	in %	in EUR k	in EUR k	in %	in EUR k
Fixed remuneration	488	60	488	435	59	326	181	61	-
Benefits in kind	17	2	11	39	5	24	9	3	-
Pension substitute payment ¹	135	16	150	113	15	94	47	16	-
Short-term variable remuneration	179	22	0	149	20	0	62	21	-
<i>Short Term Incentive 2024</i> ²	-	-	-	-	-	-	-	-	-
<i>Short Term Incentive 2025</i> ¹	179	-	0	149	-	0	62	-	-
Long-term variable remuneration	0	0	0	0	0	0	0	0	-
<i>Long Term Incentive 2021-2024</i> ²	-	-	-	-	-	-	-	-	-
<i>Long Term Incentive 2022-2025</i>	0	-	0	-	-	-	-	-	-
Other	-	0	-	-	0	-	-	0	-
Remuneration awarded and due in accordance with section 162 AktG	818	100	649	736	100	444	299	100	-

¹ The members of the Executive Board waived 10% of the pension substitute payment and 20% of the payouts from the variable compensation of the STI for the fiscal year 2025 by letter dated November 3, 2025 and subsequent acceptance of the waiver by the Chairman of the Supervisory Board.

² The members of the Executive Board waived the payouts from the variable compensation from the STI for the fiscal year 2024 and the LTI Tranche 2021-2024 by letter dated October 15, 2024 and with the subsequent Supervisory Board resolution dated November 12, 2024.

Remuneration awarded and due for the first fiscal year (former members of the Executive Board)

	Jurate Keblyte CFO Executive Board Member since August 1, 2019 until March 31, 2025			Thomas Strobl CFO Executive Board Member since April 1, 2025 until June 20, 2025 (termination of the Service Agreement on July 31, 2025)		
	2025		2024	2025		2024
	in EUR k	in %	in EUR k	in EUR k	in %	in EUR k
Fixed remuneration	112	55	449	145	72	–
Benefits in kind	5	2	18	13	6	–
Pension substitute payment	34	17	138	0	0	–
Short-term variable remuneration	51	25	0	43	21	–
<i>Short Term Incentive 2024¹</i>	–	–	0	–	–	–
<i>Short Term Incentive 2025</i>	51	–	–	43	–	–
Long-term variable remuneration	0	0	0	0	0	–
<i>Long Term Incentive 2021 – 2024¹</i>	–	–	0	–	–	–
<i>Long Term Incentive 2022 – 2025</i>	0	–	–	–	–	–
Other	–	0	–	–	0	–
Remuneration awarded and due in accordance with section 162 AktG	203	100	604	201	100	–

¹ The members of the Executive Board waived the payouts from the variable compensation from the STI for the fiscal year 2024 and the LTI Tranche 2021-2024 by letter dated October 15, 2024 and with the subsequent Supervisory Board resolution dated November 12, 2024.

Maximum remuneration

Appropriate remuneration for members of the Executive Board is ensured by two types of caps: Firstly, a maximum cap of 170% on the STI and 200% on the LTI relative to the respective target amount is set for the variable components.

Secondly, pursuant to Section 87a (1) sentence 2 No 1 AktG, the Supervisory Board has defined maximum remuneration which caps the total amount of remuneration paid out for a given fiscal year irrespective of the date payment. The maximum remuneration amounts to EUR 2,700,000 for the Chairman of the Executive Board and EUR 1,800,000 for the other members of the Executive Board.

In fiscal year 2025, the total of the fixed remuneration, benefits in kind, retirement benefits and short-term Incentive is EUR 818 thousand for Jens Öhlenschläger, EUR 203 thousand for Jurate Keblyte, EUR 736 thousand for Guogiang Li, and EUR 299 thousand for Kelvin (Bangben) Wang. Even if the 2025-2028 long-term incentive were to pay out at its maximum the total of all remuneration components would not exceed the maximum remuneration. For Thomas Strobl compliance with the maximum remuneration can already be confirmed as he was not granted a long-term Incentive.

Maximum remuneration for the fiscal year 2025 (of the members of the Executive Board incumbent on December 31, 2025)

EUR k

	Jens Öhlenschläger Spokesman of the Executive Board CEO Executive Board Member since January 1, 2019	Guoqiang Li COO Executive Board Member since April 1, 2024	Kelvin (Bangben) Wang CFO Executive Board Member since August 1, 2025
	in EUR k	in EUR k	in EUR k
Fixed remuneration 2025	488	435	181
Benefits in kind 2025	17	39	9
Retirement benefits 2025	135	113	47
Short-term incentive 2025	179	149	62
Payout limit for the Performance Share Plan (2025–2028)	888	740	308
Maximum Value of the remuneration for the fiscal year 2025	1,706	1,476	608
Maximum remuneration Section 87a (1) sentence 2 No. 1 AktG	1,800	1,800	1,800

Maximum remuneration for the fiscal year 2025 (former members of the Executive Board)

EUR k

	Jurate Keblyte CFO Executive Board Member since August 1, 2019 until March 31, 2025	Thomas Strobl CFO Executive Board Member since April 1, 2025 until June 20, 2025
	in EUR k	in EUR k
Fixed remuneration 2025	112	145
Benefits in kind 2025	5	13
Retirement benefits 2025	34	–
Short-term incentive 2025	51	43
Performance Share Plan (2025–2028) ¹	204	–
Maximum Value of the remuneration for the fiscal year 2025	406	201
Maximum remuneration Section 87a (1) sentence 2 No. 1 AktG	1,800	1,800

¹ The Supervisory Board and Mr. Strobl agreed on not granting long-term variable compensation for his tenure as member of the Executive Board due to a fixed-term appointment of one year.

With the conclusion of the performance period for the LTI Tranche 2022–2025 in fiscal year 2025 and the related payout, all remuneration components granted for fiscal year 2022 have been fully settled. The maximum remuneration pursuant to Section 87a (1) sentence 2 no.1 of the German Stock Corporation Act (AktG) applicable to fiscal year 2022 has been complied with.

Maximum remuneration for the fiscal year 2022

EUR k

	Thorsten Seehars CEO until May 31, 2023	Jurate Keblyte Executive Board Member until March 31, 2025	Jens Öhlenschläger Executive Board Member Spokesman of the Executive Board since June 1, 2022
	in EUR k	in EUR k	in EUR k
Fixed remuneration 2022	292	390	390
Benefits in kind 2022	6	24	25
Retirement benefits 2022	67	125	125
Short Term Incentive 2022	87	74	74
Performance Share Plan (2022-2025)	0	0	0
Maximum Value of the remuneration for the fiscal year 2022	910	1,353	1,354
Maximum remuneration Section 87a (1) sentence 2 No. 1 AktG	2,700	1,800	1,800

3. Remuneration System for the Supervisory Board

For each full year of membership, each member of the Supervisory Board receives fixed remuneration that is paid after the end of the year in question. In addition, the members of the committees, with the exception of the Nomination Committee and the Chairman's Committee, receive fixed remuneration for each full fiscal year of their membership of the respective committee. The members of the Supervisory Board receive a fixed attendance fee for each Supervisory Board meeting and for each committee meeting they attend in person. The attendance fee is not paid for participation in meetings of the Nomination Committee. Members of the Supervisory Board or a committee for only part of the fiscal year receive fixed remuneration on a pro rata basis. Remuneration is differentiated by function and is based on the recommendations of the GCGC. In addition, the Company shall reimburse the members of the Supervisory Board for expenses incurred in the performance of their duties, including any value-added tax payable on the remuneration and the reimbursement of expenses.



The following table presents the remuneration awarded and due individually for members of the Supervisory Board for the fiscal years 2025 and 2024 as well as their relative share of total remuneration. The members of the Supervisory Board incumbent at the end of the fiscal year waived 20% of the

payouts of the fixed remuneration for the fiscal year 2025 by letter dated December 16, 2025.

Supervisory Board remuneration

	2025					2024				
	Fixed remuneration ¹		Attendance fees		Total remuneration	Fixed remuneration		Attendance fees		Total remuneration
	in EUR k	in %	in EUR k	in %	in EUR k	in EUR k	in %	in EUR k	in %	in EUR k
Dr. Ping He (ChSB from April 1, 2025)	57	79	15	21	72	35	88	5	13	40
Udo Fechtner (deputy ChSB)	42	69	19	31	61	54	78	15	22	69
Klaus Bauer	28	78	8	22	36	35	88	5	13	40
Andrea Elsner	36	75	12	25	48	45	83	9	17	54
Martin Heiss	32	68	15	32	47	45	80	11	20	56
Dr. Markus Lauer (from April 1, 2025)	27	73	10	27	37	–	–	–	–	–
Caterina Messina (from January 1, 2025)	35	85	6	15	41	–	–	–	–	–
Nicole Schobert (from May 22, 2025)	22	76	7	24	29	–	–	–	–	–
Jian Shi (from April 1, 2025)	21	78	6	22	27	–	–	–	–	–
Xiaolu Tang (from April 1, 2025)	33	79	9	21	42	–	–	–	–	–
Yiping Wang (from April 1, 2025) ²	–	–	–	–	–	–	–	–	–	–
Sijun Zhang (from April 1, 2025)	27	75	9	25	36	–	–	–	–	–
Former Supervisory Board members										
Dr. Martin Kleinschmitt (ChSB / until March 31, 2025)	24	78	7	22	31	99	84	19	16	118
Peter Kern (until May 22, 2025)	14	82	3	18	17	35	88	5	13	40
Jürgen Kostanjevec (until March 31, 2025)	9	90	1	10	10	35	88	5	13	40
Dagmar Rehm (until March 31, 2025)	14	82	3	18	17	55	86	9	14	64
Gabriele Sons (until March 31, 2025)	11	69	5	31	16	45	83	9	17	54
Prof. Dr. Birgit Vogel-Heuser (until March 31, 2025)	11	85	2	15	13	45	90	5	10	50

¹ The Supervisory Board members incumbent on December 31, 2025 (excluding Caterina Messina) waived 20% of the payout of the fixed remuneration for the fiscal year 2025.

² Yiping Wang waived 100% of the payouts of the fixed remuneration and attendance fees for the fiscal year 2025.

4. Comparative presentation of remuneration and earnings development

The table below describes the development of the remuneration awarded and due of present and former members of the Executive Board and the Supervisory Board in accordance with Section 162 AktG, the development of the average employee remuneration, as well as the performance development of GRAMMER AG over the past two years.

The average personnel expenses (IFRS) on a full-time equivalent basis are used for employee remuneration. For this purpose, employees in Germany are taken into account.

Net income is used as the earnings indicator, as it is a key performance indicator and an indicator of the profitability of business activities. Net income also serves as a possible performance target in the STI.

Comparative presentation

	2025 in EUR k	2024 in EUR k	Change 2025 / 2024 in %	Change 2024 / 2023 in %	Change 2023 / 2022 in %	Change 2022 / 2021 in %	Change 2021 / 2020 in %
Executive Board members¹							
Jens Öhlenschläger	818	649	26	-21	33	6	23
Guoqiang Li	736	444	66	n/a	n/a	n/a	n/a
Kelvin (Bangben) Wang	299	n/a	n/a	n/a	n/a	n/a	n/a
Former Executive Board members							
Jurate Keblyte	203	604	-66	-20	23	6	32
Thorsten Seehars	0	0	n/a	n/a	-100	204	20
Thomas Strobl	201	n/a	n/a	n/a	n/a	n/a	n/a
Supervisory Board members²							
Dr. Ping He (ChSB from April 1, 2025)	72	40	81	-2	-2	14	90
Udo Fechtner (deputy ChSB)	61	69	-11	252	n/a	n/a	n/a
Klaus Bauer	36	40	-10	-2	-2	14	164
Andrea Elsner	48	54	-11	-2	-4	36	-2
Martin Heiss	47	56	-16	-3	-5	33	0
Dr. Markus Lauer (from April 1, 2025)	37	n/a	n/a	n/a	n/a	n/a	n/a
Caterina Messina (from January 1, 2025)	41	n/a	n/a	n/a	n/a	n/a	n/a
Nicole Schobert (from May 22, 2025)	29	n/a	n/a	n/a	n/a	n/a	n/a
Jian Shi (from April 1, 2025)	27	n/a	n/a	n/a	n/a	n/a	n/a
Xiaolu Tang (from April 1, 2025)	42	n/a	n/a	n/a	n/a	n/a	n/a
Yiping Wang (from April 1, 2025) ³	0	n/a	n/a	n/a	n/a	n/a	n/a
Sijun Zhang (from April 1, 2025)	36	n/a	n/a	n/a	n/a	n/a	n/a

Former Supervisory Board members							
Dr. Martin Kleinschmitt (ChSB / until March 31, 2025)	31	118	-73	-2	69	n/a	n/a
Peter Kern (until 22.05.2025)	17	40	-58	-2	-2	14	90
Jürgen Kostanjevec (until March 31, 2025)	10	40	-76	3	-7	14	90
Dagmar Rehm (until March 31, 2025)	17	64	-74	-2	67	n/a	n/a
Gabriele Sons (until March 31, 2025)	16	54	-70	-2	-4	30	87
Prof. Dr. Birgit Vogel-Heuser (until March 31, 2025)	13	50	-74	-7	17	28	0
Employees							
Average	77	85	-9	16	4	-1	2
Earnings performance							
Net Income (earnings after taxes) Group ⁴	23,476	-92,761	n/a	-2,817	104	-12,261	101
Net Income GRAMMER AG	17,198	-115,237	n/a	-674	74	-2,247	97

¹ The members of the Executive Board incumbent on December 31, 2025 waived 10% of the pension substitute payment and 20% of the payouts from the variable compensation of the STI for the fiscal year 2025 by letter dated November 3, 2025 and subsequent acceptance of the waiver by the Chairman of the Supervisory Board.

² The Supervisory Board members incumbent on December 31, 2025 (excluding Caterina Messina) waived 20% of the payout of the fixed remuneration for the fiscal year 2025.

³ Yiping Wang waived 100% of the payouts of the fixed remuneration and attendance fees for the fiscal year 2025.

⁴ Continuing and discontinued operations.

Consolidated Financial Statements Index

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Consolidated Statement of Income

January 1 – December 31 of the respective financial year

EUR k

	Note	2025	2024
Revenue	8	1,821,203	1,921,727
Cost of Sales	9.3	-1,612,069	-1,732,418
Gross profit		209,134	189,309
Selling expenses	9.3	-28,960	-27,227
Administrative expenses	9.3	-164,581	-177,113
Other operating income	9.1	53,508	23,093
Earnings before interest and taxes (EBIT)		69,101	8,062
Financial income	9.2	8,013	9,170
Financial expenses	9.2	-47,936	-45,774
Other financial result	9.2	3,311	4,826
Earnings from continuing operations before taxes		32,489	-23,716
Income taxes	10	-9,013	-24,317
Net profit/loss from continuing operations		23,476	-48,033
Net profit/loss from discontinued operations		0	-44,728
Net profit/loss		23,476	-92,761
Of which attributable to:			
Shareholders of the parent company		20,806	-94,393
Non-controlling interests		2	-221
Compensation claims of the hybrid loan creditor		2,668	1,853
Net profit/loss		23,476	-92,761
Earnings per share			
Basic/diluted earnings per share from continuing operations in EUR	11	1.40	-3.33
Basic/diluted earnings per share from discontinued operations in EUR	11	0.00	-3.00
Basic/diluted earnings per share in EUR	11	1.40	-6.33

Consolidated Statement of Comprehensive Income

January 1 – December 31 of the respective financial year

EUR k	2025	2024	EUR k	2025	2024
Net profit/loss	23,476	-92,761			
Amounts that will not be reclassified to profit and loss in future periods			Gains/losses (-) from cash flow hedges		
Actuarial gains/losses (-) under defined benefit plans			Gains/losses (-) arising in the current period	11,283	-4,667
Gains/losses (-) arising in the current period	11,926	4,796	Plus/less (-) amounts reclassified to the income statement through profit and loss	-1,852	-197
Tax expenses (-)/tax income	-3,366	-1,455	Tax expenses (-)/tax income	-2,870	1,536
Actuarial gains/losses (-) under defined benefit plans (after tax)	8,560	3,341	Gains/losses (-) from cash flow hedges (after tax)	6,561	-3,328
Change from the measurement of financial assets			Gains/losses (-) from net investments in foreign operations		
Gains/losses (-) arising in the current period	1,398	2,306	Gains/losses (-) arising in the current period	-14,616	1,990
Change from the measurement of financial assets (after taxes)	1,398	2,306	Plus/less (-) amounts reclassified to the income statement through profit and loss	3,076	0
Total amounts that will not be reclassified through profit and loss in future periods	9,958	5,647	Tax expenses (-)/tax income	742	-374
Amounts that will be reclassified to profit and loss in future periods under certain conditions			Gains/losses (-) from net investments in foreign operations (after tax)	-10,798	1,616
Gains/losses (-) from currency translation of foreign subsidiaries			Total amounts that will be reclassified to profit and loss in future periods under certain conditions	-19,684	-7,152
Gains/losses (-) arising in the current period	-15,447	-5,440	Other comprehensive income	-9,726	-1,505
Gains/losses (-) from currency translation of foreign subsidiaries (after tax)	-15,447	-5,440	Total comprehensive income from continuing operations	13,750	-49,538
			Total comprehensive income from discontinued operations	0	-44,728
			Total comprehensive income after taxes	13,750	-94,266
			Of which attributable to:		
			Shareholders of the parent company	12,046	-97,403
			Non-controlling interests	-964	1,284
			Hybrid loan lender's compensation claims	2,668	1,853

Consolidated Statement of Financial Position

as of December 31 of the respective financial year and retrospectively adjusted as of January 1 of the previous year

Assets

EUR k

	Note	December 31, 2025	December 31, 2024 ¹	January 1, 2024 ¹
Property, plant, and equipment	13	477,638	482,281	478,553
Intangible assets	13	159,805	157,554	147,781
Investments measured at equity	5	761	1,651	1,085
Other financial assets	17	98,738	93,068	11,757
Deferred tax assets	10	53,104	52,175	53,269
Other assets	18	72,362	67,913	47,442
Contract assets	16	64,953	72,524	73,766
Non-current assets		927,361	927,166	813,653
Inventories	14	164,634	172,407	186,207
Current trade accounts receivable	15	222,439	257,434	288,474
Other current financial assets	17	8,092	5,063	11,909
Current income tax receivables		3,754	4,040	3,232
Cash and short-term deposits	19	152,745	219,846	131,005
Other current assets	18	72,043	50,097	47,010
Current contract assets	16	56,158	63,522	52,931
Current assets		679,865	772,409	720,768
Total assets		1,607,226	1,699,575	1,534,421

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from the finalized closing balance sheet of the Ningbo Jifeng Group's European business acquired in the previous year, as disclosed in Note 6, as well as from changes in presentation as disclosed in Note 3.

Consolidated Statement of Financial Position

as of December 31 of the respective financial year and retrospectively adjusted as of January 1 of the previous year

Equity and Liabilities

EUR k

	Note	December 31, 2025	December 31, 2024 ¹	January 1, 2024 ¹
Subscribed capital	20	39,009	39,009	39,009
Capital reserve	20	162,947	162,947	162,947
Own shares	20	-7,441	-7,441	-7,441
Retained earnings	20	50,226	29,420	124,075
Accumulated other comprehensive income	20	-66,415	-57,655	-54,645
Equity attributable to shareholders of the parent company		178,326	166,280	263,945
Hybrid loan	20	85,894	85,295	38,795
Non-controlling interests	20	14,385	15,349	10,615
Equity		278,605	266,924	313,355
Non-current financial liabilities	22	375,343	409,543	167,025
Non-current trade accounts payable	24	762	1,128	1,474
Other non-current financial liabilities	25	190,434	179,335	55,221
Retirement benefits and similar obligations	21	105,277	117,501	122,925
Deferred tax liabilities	10	36,599	37,557	29,013
Non-current provisions	23	10,070	15,761	0
Non-current contract liabilities	16	3,456	4,103	2,786
Non-current liabilities		721,941	764,928	378,444

EUR k

	Note	December 31, 2025	December 31, 2024 ¹	January 1, 2024 ¹
Current financial liabilities	22	43,358	66,084	269,165
Current trade accounts payable	24	364,553	401,771	404,051
Other current financial liabilities	25	20,360	27,444	23,169
Other current liabilities	26	137,993	124,939	110,939
Current income tax liabilities		10,832	6,515	4,193
Current provisions	23	24,735	38,525	29,022
Current contract liabilities	16	4,849	2,445	2,083
Current liabilities		606,680	667,723	842,622
Total liabilities		1,328,621	1,432,651	1,221,066
Total equity and liabilities		1,607,226	1,699,575	1,534,421

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from the finalized closing balance sheet of the Ningbo Jifeng Group's European business acquired in the previous year, as disclosed in Note 6, as well as from changes in presentation as disclosed in Note 3.

Consolidated Statement of Changes in Equity

for the financial year ending December 31, 2025
Equity attributable to shareholders of the parent company

EUR k

	Cumulative other comprehensive income										Total	Hybrid loan	Non-controlling interests	Consolidated equity
	Subscribed capital	Capital reserve	Retained earnings	Own shares	Cash flow hedges	Foreign currency conversion	Net investments in foreign operations	Actuarial gains and losses from defined benefit plans	Change from the measurement of financial assets					
As of January 1, 2025	39,009	162,947	29,420	-7,441	-1,947	-16,985	-14,237	-25,870	1,384	166,280	85,295	15,349	266,924	
Net profit/loss	0	0	20,806	0	0	0	0	0	0	20,806	2,668	2	23,476	
Other comprehensive income	0	0	0	0	6,561	-14,246	-10,798	8,561	1,162	-8,760	0	-966	-9,726	
Total comprehensive income	0	0	20,806	0	6,561	-14,246	-10,798	8,561	1,162	12,046	2,668	-964	13,750	
Transaction involving non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	0	
Distribution of hybrid loan lender's compensation claims	0	0	0	0	0	0	0	0	0	0	-2,069	0	-2,069	
Proceeds from hybrid loan	0	0	0	0	0	0	0	0	0	0	0	0	0	
As of December 31, 2025	39,009	162,947	50,226	-7,441	4,614	-31,231	-25,035	-17,309	2,546	178,326	85,894	14,385	278,605	

Consolidated Statement of Changes in Equity

for the financial year ending December 31, 2024
Equity attributable to shareholders of the parent company

EUR k

	Cumulative other comprehensive income										Total	Hybrid loan	Non-controlling interests	Consolidated equity
	Subscribed capital	Capital reserve	Retained earnings	Own shares	Cash flow hedges	Foreign currency conversion	Net investments in foreign operations	Actuarial gains and losses from defined benefit plans	Change from the measurement of financial assets					
As of January 1, 2024	39,009	162,947	124,075	-7,441	1,381	-10,958	-15,853	-29,215	0	263,945	38,795	10,615	313,355	
Net profit/loss	0	0	-94,393	0	0	0	0	0	0	-94,393	1,853	-221	-92,761	
Other comprehensive income	0	0	0	0	-3,328	-6,027	1,616	3,345	1,384	-3,010	0	1,505	-1,505	
Total comprehensive income	0	0	-94,393	0	-3,328	-6,027	1,616	3,345	1,384	-97,403	1,853	1,284	-94,266	
Transaction involving non-controlling interests	0	0	-262	0	0	0	0	0	0	-262	0	3,450	3,188	
Distribution of hybrid loan lender's compensation claims	0	0	0	0	0	0	0	0	0	0	-1,028	0	-1,028	
Proceeds from hybrid loan	0	0	0	0	0	0	0	0	0	0	45,675	0	45,675	
As of December 31, 2024	39,009	162,947	29,420	-7,441	-1,947	-16,985	-14,237	-25,870	1,384	166,280	85,295	15,349	266,924	

Consolidated Statement of Cash Flows

January 1 – December 31 of the respective financial year

EUR k

	Note	2025	2024 ¹
1. Cash flow from operating activities			
Earnings before taxes		32,489	-67,950
Reconciliation of earnings before taxes with cash flow from operating activities from continuing operations			
Earnings from discontinued operations before taxes		0	44,234
Depreciation and impairment of property, plant, and equipment	13	76,143	70,243
Amortization and impairment of intangible assets	13	3,933	2,553
Gain (-)/losses from the disposal of assets		-1,120	492
Other non-cash changes		-13,715	44,324
Financial result	9.2	36,612	31,778
Dividends received from investments measured at equity	5	383	721
Changes in operating assets and liabilities			
Decrease/increase (-) in trade accounts receivable and other assets	15, 16, 17, 18	26,833	-13,090
Decrease/increase (-) in inventories	14	7,773	14,523
Decrease (-)/increase in provisions and retirement benefit provisions	21, 23	-22,524	-37,784
Decrease (-)/increase in accounts payable and other liabilities	24, 25, 26	20,966	-12,381
Income taxes paid	10	-20,263	-15,066
Cash flow from operating activities from continuing operations		147,510	62,597
Cash flow from operating activities from discontinued operations		0	-31,431
Cash flow from operating activities from continuing and discontinued operations		147,510	31,166
2. Cash flow from investing activities			
Purchases			
Purchase of property, plant, and equipment	13	-62,229	-61,913
Purchase of intangible assets	13	-5,310	-8,597
Purchase of financial assets	17	-12,523	-19,807
Acquisition of subsidiaries	6	0	-1,363
Purchases in the context of business combinations	6	-44,447	0

EUR k

	Note	2025	2024 ¹
Disposals			
Disposal of property, plant, and equipment	13	4,950	1,501
Disposal of intangible assets	13	223	2
Disposal of financial assets	17	6,086	911
Payments from the formation of plan assets	21	-615	-1,445
Interest received	9.2	5,472	9,170
Cash flow from investing activities from continuing operations		-108,393	-81,541
Cash flow from investing activities from discontinued operations		2,236	39,497
Cash flow from investing activities from continuing and discontinued operations		-106,157	-42,044
3. Cash flow from financing activities			
Inflow from hybrid loans	20	0	45,671
Payments from compensation claims of the hybrid loan lender	20	-2,069	-1,028
Inflow from capital injection by minority shareholder	20	0	4,551
Inflow from shareholder loans		0	129,577
Outflow from loan to shareholder		0	-59,799
Payments received from raising financial liabilities	22	10,352	381,133
Payments made for the settlement of financial liabilities	22	-69,045	-255,498
Payments made for the settlement of lease liabilities	13	-20,760	-19,662
Interest paid	9.2	-30,594	-37,317
Cash flow from financing activities from continuing operations		-112,116	187,628
Cash flow from financing activities from discontinued operations		0	-10,401
Cash flow from financing activities from continuing and discontinued operations		-112,116	177,227

EUR k

	Note	2025	2024 ¹
4. Cash and cash equivalents at the end of the period			
Changes in cash and cash equivalents recognized in the cash flow statement (sub-total of items 1–3)		-70,763	166,349
Effects of exchange rate differences of cash and cash equivalents		3,244	-1,313
Cash and cash equivalents as of January 1		216,487	51,451
Cash and cash equivalents as of December 31		148,968	216,487
5. Analysis of cash and cash equivalents			
Cash and short-term deposits	19	152,745	219,846
Bank overdrafts	22	-3,777	-3,359
Cash and cash equivalents as of December 31		148,968	216,487

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from the finalized closing balance sheet of the Ningbo Jifeng Group's European business acquired in the previous year, as disclosed in Note 6, as well as from changes in presentation as disclosed in Note 3.

Notes to the Consolidated Financial Statements for the financial year ending December 31, 2025

1. Information about the GRAMMER Group and Basis of Reporting

GRAMMER AG is a public listed company incorporated under German law. The Company's registered office and business address is Grammer-Allee 2, 92289 Ursensollen, Germany. The Company's shares have been traded on the Frankfurt am Main and Munich stock exchanges via the Xetra electronic trading platform since 1996.

GRAMMER AG is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

- International Securities Identification Number (ISIN): DE0005895403
- German securities identification number (WKN): 589540
- Common code: 006754821
- Ticker symbol: GMM
- Commercial register number: HRB 1182, Amberg Local Court

The GRAMMER Group is a global group of companies specializing in the development and production of complex components and systems for passenger vehicle interiors as well as driver and passenger seats for trucks, buses, trains and off-road commercial vehicles (tractors, construction machinery, and forklifts). In the 2025 financial year, the Company employed an average of 11,904 people (excluding apprentices, including 339 employees in Central Services) at 43 (previous year: 44) production and logistics sites around the world as well as at GRAMMER Group Central Services in Amberg and Ursensollen.

GRAMMER AG is managed by three (previous year: three) members of the Executive Board.

GRAMMER has classified its activities in the operating regions of EMEA, AMERICAS, and APAC, which constitute the reportable business segments. These segments are described in greater detail in Note 7. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union, and in accordance with the supplemental provisions of Section 315e (1) of the German Commercial Code (HGB). The consolidated financial statements of GRAMMER AG (the "Company") were prepared by the Executive Board in accordance with Section 315e (1) HGB on March 13, 2026.

GRAMMER AG is an indirectly held subsidiary of Ningbo Jifeng Auto Parts Co., Ltd., Ningbo City, China (Ningbo Jifeng), and is included in that company's consolidated financial statements. These are available in Chinese at <https://english.sse.com.cn/>. Ningbo Jifeng indirectly holds 86.20% (previous year: 86.20%) of the voting rights in GRAMMER AG and is the next highest parent company of GRAMMER AG that prepares consolidated financial statements. The direct parent company of GRAMMER AG is Jiye Auto Parts GmbH, Frankfurt am Main, a fully consolidated subsidiary of Ningbo Jifeng.

2. Principles of accounting, valuation, and consolidation

2.1. Material accounting policies and use of estimates and assumptions in accounting and valuation

These consolidated financial statements for GRAMMER AG were prepared in accordance with Section 315e of the HGB ("Consolidated financial statements in accordance with international accounting standards") in conjunction with the International Financial Reporting Standards (IFRS) and related interpretations (SIC/IFRIC interpretations) as applicable in the European Union (EU) in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and the Council. The term "IFRS" also includes the International Accounting Standards (IAS), which continue to apply.

The consolidated financial statements are generally prepared taking into account the going concern assumption using the historical cost principle, except where application of other methods of measurement is mandatory. The consolidated financial statements were prepared in euros (EUR). Unless otherwise indicated, all values are rounded to the nearest thousand euros (EUR thousand). Individual amounts and percentages may not exactly equal the aggregated amounts due to rounding differences. The consolidated statement of financial position (balance sheet) applies the current/non-current distinction. Total income is presented in two separate statements: an income statement and a statement of comprehensive income. The income statement is prepared using the cost of sales method.

Estimates and judgments (IAS 8)

In certain cases, it is necessary to apply assessments and judgments. For instance, in preparing the consolidated financial statements, discretionary decisions, assumptions and estimates have

to be made to a certain degree, which have an impact on the measurement and recognition of reported assets and liabilities, income and expenses, and contingent assets and liabilities for the reporting period. Accounting estimates are monetary amounts in the annual financial statements that are subject to measurement uncertainty. The assumptions and estimates used in the consolidated financial statements are based on information currently available. In addition, they may include estimates that could have been different in the same reporting period for equally plausible reasons. GRAMMER cautions that future events often differ from forecasts and that estimates are routinely subject to revision. Assumptions and estimates consistently relate to the parameters in effect at the time of preparation of the consolidated financial statements. However, as a result of market development and conditions outside Group control, these may change over time. Such changes shall not be deemed to constitute a correction of an error and shall be taken into account only when they have occurred.

The current uncertainties, particularly with regard to the consequences of the Russia-Ukraine war, the conflict in the Middle East, and other geopolitical tensions and trade disputes, and the economic impact of this on the business development of GRAMMER and its subsidiaries, sales markets and supply chains, prices in relevant markets, interest rates, and exchange rates, mean that the assumptions and estimates in the consolidated financial statements are subject to additional uncertainty.

In the consolidated financial statements, these matters had a particular indirect impact on goodwill (Note 13.3), government grants (Notes 9.1, 9.3, and 9.4), impairment of trade accounts receivable (Note 15), assets and liabilities from customer contracts (Note 16), and provisions (Note 23).

In particular, estimates and discretionary judgments are necessary in connection with impairment testing of goodwill, intangible assets, and non-current assets, as well as the recognition of deferred tax assets on loss carryforwards and the definition of the assumptions underlying the actuarial calculations of retirement benefit expenses under defined-benefit plans. Furthermore, estimates and discretionary judgments are applied to revenue from contracts with customers for the purpose of determining the transaction price and also to the formation of portfolios of financial instruments in the case of expected credit risks or defaults. In addition, discretionary decisions must be made in assessing whether there is a de jure or de facto obligation for which a provision must be recognized. In particular, all known circumstances, such as restructuring provisions, are taken into account to determine the existence of a de facto obligation. Estimates and discretionary judgments are applied in particular to determine the term of the lease. With respect to the inclusion of subsidiaries in the consolidated financial statements,

GRAMMER also applies discretionary judgments in determining whether it has the de facto ability and opportunity to determine the relevant activities as a controlling influence over the participating interest.

Climate-related aspects

GRAMMER AG pursues sustainability in its corporate strategy and operating activities, specifically with the Sustainable Company strategic initiative, which covers all areas of the company. The focus in research and development is on using renewable or recycled materials as well as on the durability, reusability, and disposal of products and materials. To this end, GRAMMER has developed its "design for recycling" materials strategy. However, climate-related aspects are also pursued in procurement, transportation, and production. In this context, the GRAMMER Group supports the 1.5-degree target set out in the Paris Agreement. As a result of the activities carried out to date, the goal of reducing direct and indirect carbon emissions by 25% by 2025 compared with the base year of 2019 has been achieved. The GRAMMER Group's goal is to reduce direct and indirect emissions by 100% by 2040.

The consolidated financial statements take into account the climate-related developments and risks associated with this target. GRAMMER continued the implementation of the Corporate Sustainability Reporting Directive (CSRD), an EU directive on corporate sustainability reporting, in the 2025 financial year. Due to GRAMMER's specific product portfolio, climate-related aspects have an impact on the procurement and production process and less on the products sold by GRAMMER. In the Automotive product area, the shift to electric vehicles brings with it additional opportunities rather than risks. In connection with this, estimates and judgments relate particularly to assumptions about future legal regulations and developments of the market environment that are subject to a high level of dynamism and also uncertainty. The Group continuously monitors legislation related to climate change. There are no known consequences of the introduction of legislation or other regulations that have a material impact on the Group, such as the economic useful life of assets being reduced compared with the original forecasts.

Principles of consolidation (IFRS 10)

The consolidated financial statements include the financial statements of GRAMMER AG and the financial statements of the consolidated subsidiaries as of December 31 of each financial year. The financial statements of the parent company and the subsidiaries are prepared in accordance with uniform accounting and valuation methods. The reporting dates of the financial statements of the companies included in the consolidated financial statements correspond to the reporting date of the consolidated financial statements.

The consolidated financial statements include GRAMMER AG as well as subsidiaries over which GRAMMER AG directly or indirectly exerts control. GRAMMER AG controls a participating interest if it has decision-making authority over it, participates in positive and negative returns from these companies and is also able to use its power over the participating interest to affect the amount of such returns. This involves an assessment of all circumstances that result in GRAMMER AG having the de facto ability and opportunity to determine the relevant activities as a controlling influence over the participating interest.

Assets, liabilities, income, and expenses of a subsidiary that was acquired during the reporting period are recorded in the statement of financial position and statement of comprehensive income as of the day on which GRAMMER AG gains control over the subsidiary until the day on which control ceases.

Receivables and liabilities as well as income and expenses arising between companies included in the consolidated financial statements are mutually netted. Intra-Group earnings from goods and services as well as dividends distributed within the Group are eliminated.

Business combinations (IFRS 3)

Business combinations are accounted for using the purchase method. Costs for the acquisition of a company are measured as the aggregate of the acquisition-date fair value of the consideration transferred and the amount of any minority interest.

Costs incurred in connection with the business combination are recognized as expenses in the period in which they arise.

In a business combination, all identifiable assets acquired, provisions assumed, liabilities, and contingent liabilities of the acquiree are measured at their fair values at the acquisition date. Any agreed contingent consideration is also recognized at fair value as of the acquisition date. Any resulting difference is reported as goodwill. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Please refer to the section on goodwill for details of impairment testing. Subsequent changes to the fair value of a contingent consideration representing an asset or liability are recognized either in profit and loss or directly in equity in other comprehensive income in accordance with IFRS 9. If a contingent consideration is classified as equity, the original amount is not remeasured and subsequent settlement is taken directly to equity.

Subsidiaries are included in the consolidated financial statements by offsetting the carrying amount of the shares in subsidiaries against the Group's share of the equity of the respective subsidiary. Non-controlling interests refer to the share of results of operations and net assets not attributable to the Group. Therefore, any profit or loss from this share is recognized in the income statement separately from the share of results of operations attributable to the shareholders of the parent company. In the balance sheet, it is recognized directly in equity in a line item separate from the equity attributable to the shareholders of the parent company.

Joint ventures (IFRS 11) and associates (IAS 28)

Joint ventures are companies over which GRAMMER AG and one or more third parties jointly exercise control. Joint control arises if decisions on the main activities require the unanimous consent of the parties sharing control over the entity.

An associate is an entity over which GRAMMER AG has significant influence. Significant influence occurs when the Group has the power to participate in the financial and operating policy decisions of the participating interest but does not have control or joint control. Where an entity holds 20% or more of the voting power (directly or indirectly) of a company, it will be presumed that the investor exerts significant influence unless it can be clearly demonstrated that this is not the case.

The GRAMMER Group's shares in such joint ventures and associates are recognized by using the equity method.

By using the equity method, the shares in a joint venture or associate are initially recognized at cost. These costs are adjusted in subsequent periods to reflect any changes in the Group's share in the net assets of the joint venture or associate since the acquisition date. If the Group's share of net assets is negative, loss portions are recognized only if there is an obligation to offset losses. The Group determines on each reporting date whether there is any objective evidence suggesting that the share in the joint venture or the associate may be impaired. In the event of such evidence being found, the impairment equals the difference between the recoverable amount of the share in the joint venture or associate and the carrying amount, upon which the resultant loss is recognized through profit and loss within the share of earnings of joint ventures and associates in the income statement. The carrying amount forms the upper limit of the impairment provided that there is no obligation to compensate for any losses.

Goodwill arising from the acquisition of an associate or a jointly controlled entity is included within the carrying amounts of such entities. If such an entity is sold, the attributable amount of goodwill is included in the determination of the net gain or loss on the sale.

Accordingly, the consolidated income statement includes the Group's share in the earnings of the joint venture or associate for the period under review. A loss attributable to GRAMMER is taken into account as long as it does not exceed the carrying amount of the investment in the joint venture or associate. Any adjustments recognized within the other comprehensive income of a participating interest are likewise recognized in the Group's other comprehensive income. In addition, any changes are recorded directly in the equity of the joint ventures or associates in an amount equaling the share held by the Group and, as far as necessary, included in the statement of changes in equity. Unrealized gains and losses from transactions between the Group and the joint ventures or associates are eliminated in accordance with the shares held in the joint venture or associates.

Current / non-current distinction (IAS 1, IAS 12)

The Group classifies its assets and liabilities according to whether they are current or non-current. An asset is classified as current if it is expected to be realized within twelve months of the reporting date, the asset is held primarily for trading, or it entails cash or short-term deposits. All other assets are classified as non-current. A liability is classified as current if settlement of the liability is expected within twelve months of the reporting date or the liability is held primarily for trading purposes. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets or liabilities according to IAS 12.

Currency translation (IAS 21, IAS 29)

The consolidated financial statements were prepared in euro, which is GRAMMER AG's functional currency. The Group determines the functional currency for each subsidiary. The items included in the financial statements of the companies are measured on the basis of the relevant functional currency. Any resulting translation differences from this are recognized in profit or loss. The assets, provisions, and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros on the basis of their functional currency. The functional currency of the subsidiary in question is the relevant local currency in most cases. The functional currency of the subsidiary is translated into the Group's reporting currency using the modified closing rate method,

under which items of the statement of financial position are translated at the end-of-year exchange rate and items of the income statement at average exchange rates. Any resulting translation differences from this are recognized directly in equity. In addition, currency translation differences arising from foreign-currency loans are recognized at fair value in other comprehensive income, accumulated in equity and reclassified to profit and loss for the period upon disposal.

If the functional currency of a subsidiary is the currency of a hyperinflationary economy, the financial statements of the subsidiary, including comparative information, are adjusted to be expressed in terms of the measuring unit current at the end of the reporting period.

For currency translation purposes, the following exchange rates were applied for the major currencies of relevance to the Group:

		Average exchange rate		End-of-year exchange rate	
		2025	2024	2025	2024
Argentina	ARS	0.001	0.001	0.001	0.001
Bosnia	BAM	0.512	0.511	0.513	0.511
Brazil	BRL	0.159	0.172	0.155	0.156
China	CNY	0.124	0.129	0.122	0.132
United Kingdom	GBP	1.171	1.181	1.146	1.206
Japan	JPY	0.006	0.006	0.005	0.006
Mexico	MXN	0.046	0.051	0.047	0.046
Poland	PLN	0.236	0.232	0.237	0.234
Serbia	RSD	0.009	0.009	0.009	0.009
South Africa	ZAR	0.050	0.050	0.051	0.051
Czech Republic	CZK	0.041	0.040	0.041	0.040
Turkey	TRY	0.023	0.028	0.020	0.027
United States	USD	0.891	0.924	0.851	0.963

Revenue from contracts with customers (IFRS 15)

Revenue from contracts with customers is recognized when control over the goods or services passes to the customer. The revenue recognized equals the consideration that GRAMMER expects to receive upon the transfer of these goods or services. The five-step model is used to determine revenue recognition from contracts with customers. Within the scope of the identified contracts with customers, two independently definable performance obligations, particularly for the Group, are identified in the form of series development and series delivery. These are described separately below.

Revenue from series development

Customer tools, development services, devices, and prototypes used in series development are generally combined to form a performance obligation referred to as "series development," as GRAMMER does not believe that the underlying goods and services can be independently identified and the goods and services are highly interdependent or interrelated. Revenue from this performance obligation is recognized over a certain period if the resulting asset has no alternative use for the Company and it has a legal right to receive payment for the service already rendered. Complete satisfaction of a performance obligation is determined using the input-based method as there is assumed to be a direct correlation between the costs already incurred and the progress of the development work and is based on the ratio of costs already incurred to the total expected costs (cost to cost). Only in cases where it is not yet possible to measure the performance obligation appropriately at certain stages of the contract is revenue recognized on the basis of costs incurred (at cost). Provisions are recognized as an expense immediately for expected contract losses from a performance obligation for series development (note on provisions). Recognition of this performance obligation is based on the individual contracts with the customers, primarily in the Automotive product area. No significant financing components for these contracts were identified. Customer claims and obligations under contracts for series development are recognized as "contract assets" or "contract liabilities," respectively.

Revenue from series delivery

In connection with series delivery, the production and delivery of series parts are bundled into a performance obligation known as "series delivery." GRAMMER transfers the power of control over the delivered series parts at a certain point in time and thus recognizes the revenue at the point in time at which the customer receives the power of control over these parts and derives the benefit from the series delivery. No significant financing components for these series delivery contracts were identified. In determining the transaction price for series deliveries, the Group

considers the impact of consideration paid to customers. Consideration paid to customers comprises amounts that GRAMMER pays to its customers that do not represent payment for an independently identifiable item or service delivered by the customer in question. Consideration paid to customers is recognized by GRAMMER within other assets in an amount equaling the prepayment and deducted from the transaction price at the time at which the revenue in connection with the corresponding series delivery is recognized. Additional costs incurred in connection with the fulfillment of series supply contracts with customers are recognized as an asset if GRAMMER expects these costs to be generated. Capitalized costs are amortized on a straight-line basis over the period of the expected future benefit and recognized in the income statement under cost of revenue.

Contract assets

A contract asset is the right to receive consideration in exchange for goods or services transferred to a customer. If GRAMMER meets its contractual obligations by transferring goods or services to a customer before the customer remits the consideration or before payment becomes due, a contractual asset is recognized for the contingent claim for consideration.

Contract liabilities

A contract liability is GRAMMER's obligation to transfer goods or services to a customer for which it has received or will receive consideration. If a customer remits consideration before GRAMMER transfers the goods or services to it, a contract liability is recognized when payment is made or becomes due (whichever occurs first). Contract liabilities are recognized as revenue as soon as GRAMMER has fulfilled its contractual obligations.

Trade accounts receivable (IAS 32, IFRS 9)

The unconditional entitlement of the Group to receive consideration (i.e., the due date occurs automatically as time elapses) is shown under trade accounts receivable. The accounting policies for trade accounts receivable are explained in the note on financial assets.

Warranty obligations (IAS 37)

The Group normally provides statutory warranties for any defects that existed at the time of sale. These assurance-type warranties are recognized as provisions. Details of the accounting method for warranty provisions can be found in the note on provisions. There are no further warranty commitments that can be classified as an independently definable service.

Research and development expenses (IAS 38)

Research expenses are recognized directly as an expense in the cost of revenue (see Note 9.3). Market-related development expenses are recognized as intangible assets if the conditions for recognition are satisfied and the Group is able to prove:

- the technical feasibility of completing the intangible asset so that it will be available for internal use or sale
- the intention to complete the intangible asset and use or sell it
- how the intangible asset will generate probable future economic benefits
- the availability of resources for purposes of completing the asset
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

After initial recognition, development expenses are accounted for using the cost model, i.e., at cost less accumulated depreciation and impairment losses. Depreciation is calculated for the period in which the asset is expected to be used. Capitalized development expenses are tested for impairment annually as long as the asset has not yet been used or if there are any indications for impairment during the year.

Interest income and expense (IAS 1, IAS 32)

Interest income and expense are recognized in the period in which they arise and are recognized in the income statement as part of the financial result. Interest income and expense are calculated using the effective interest rate method in the case of all financial instruments measured at amortized cost and interest-bearing financial assets measured at fair value through other comprehensive income. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Dividends (IAS 1)

Dividend income is recognized upon a legal right to payment arising.

Government grants (IAS 20)

Government grants are recognized when there is reasonable assurance that the grants will be received and the eligible Group company complies with the conditions attached to them. Grants

related to expenses are recognized as liabilities and systematically recorded as income over the period necessary to net them with the corresponding expenses. A grant related to an asset is presented as deferred income and amortized on a straight-line basis over the expected useful life of the related asset. To the extent that loans or other subsidies from governments or their executive agencies are provided at an interest rate below the prevailing market rate, the resulting benefit is recognized as a government grant.

Taxes (IAS 12)

Tax items are calculated in the context of the applicable local tax legislation and tax rates. Due to their complexity, they may be subject to differences in interpretation between the taxpayers and the local tax authorities. The Group recognizes provisions for potential effects from tax audits based on estimates. The calculation of these provisions is based on various factors, such as experience from previous tax audits and different official interpretations of tax rules by the authorities. Taxes referring to items that are recognized directly in equity are also recognized directly in equity. The liability method is used to calculate deferred tax assets and liabilities with an impact on future taxes arising from differences between the carrying amounts of assets and liabilities recognized in the statement of financial position and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences. The following exceptions apply:

- Deferred tax assets from deductible temporary differences that arise from the initial recognition of an asset or a liability in a transaction other than a business combination that, at the time of the transaction, had no influence on the net profit for the period as reported in the financial statements or on the taxable income are not recognized.
- Deferred tax assets arising from deductible temporary differences in connection with investments in subsidiaries and associates and interests in joint ventures are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and there is sufficient taxable income against which the temporary differences can be utilized.

Deferred tax assets on loss carryforwards are recognized only if the corresponding tax advantages are likely to be utilized. In particular, the Group determines whether there has been a series of losses in the recent past. In assessing the likelihood that taxable profit will be available against which unused tax losses can be utilized, particular consideration is given to whether there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity to give rise to taxable amounts against which the unused tax losses can be utilized.

Accordingly, a discretionary judgment by management is required to determine the amount of deferred tax assets on the basis of the expected timing and amount of the future taxable profit. Reliable planning of future taxable results is also required. The recoverable value of deferred tax assets is reviewed annually.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to apply in the period in which an asset is realized or a liability settled. With the passing of the Act for an Immediate Tax Investment Program to Strengthen Germany as a Business Location by the German Bundestag on June 26, 2025, and subsequent approval by the Bundesrat on July 11, 2025, a gradual reduction in the corporate tax rate from the current 15% was decided upon, starting in the 2028 assessment period, by one percentage point per year until reaching 10% in 2032. The tax rate applicable in the year in which the respective temporary difference reverses was used to measure deferred tax assets and liabilities.

Deferred tax assets and liabilities are netted if the Group has a legally enforceable right to set off current income tax assets against current income tax liabilities and the deferred income taxes refer to income taxes of the same taxable entity levied by the same tax authority.

Property, plant, and equipment (IAS 16, IAS 36, IAS 23)

Property, plant, and equipment are recognized at cost less straight-line depreciation and accumulated impairment losses. If the cost of certain components is significant in proportion to the overall cost of the item of property, plant, and equipment and if these components are subject to regular replacement, the Group recognizes these separately and depreciates them individually on a straight-line basis. The useful lives applied correspond to the period over which the relevant component is expected to be available for use. Any material residual values have been included in the calculation of the depreciation amounts.

Cost is recognized on the basis of directly attributable costs plus any allocable material and production overheads, including depreciation, and borrowing costs for long-term construction projects or similar manufacturing processes, as long as they qualify for recognition in accordance with IAS 23. Otherwise, repair costs and interest on borrowed funds are recognized as current expenses. Property, plant, and equipment are depreciated on a pro rata basis over the expected useful life using the straight-line method. Write-downs are recognized when the car-

rying amount exceeds the value in use or the fair value less costs to sell of the assets. Should the reasons for write-downs recognized in previous years no longer apply, these are increased up to the amount of the asset's original cost. However, the amount of such an increase is limited to amortized cost.

An item of property, plant, and equipment is derecognized upon disposal or when an economic benefit can no longer be expected from its continued use. Any gains or losses arising from this derecognition because the net proceeds from the sale differ from the carrying amount are reported through profit and loss.

The residual carrying amounts of the assets, their useful lives, and the depreciation methods applied are reviewed annually and adjusted if necessary.

Leases (IFRS 16)

A lease is a contract that transfers the right to use an asset (leased asset) for an agreed period of time in return for payment. As the lessee, GRAMMER recognizes a right-of-use asset and a corresponding lease liability over the lease term calculated at its present value using the effective interest method. The judgment as to whether a contract constitutes or contains a lease is made at the inception of the lease. Right-of-use assets and lease liabilities are recognized on the commencement date, i.e., the date on which the leased asset becomes available for use.

The following lease payments are included in the measurement of lease liability:

- fixed payments, less any leasing incentives to be provided
- variable lease payments that are tied to an index or interest rate
- expected payments under residual value guarantees
- the exercise price of a purchase option where exercise is reasonably certain
- penalties for terminating the lease if the calculation of the lease term takes into account the exercise of an option to terminate the lease

Lease payments are discounted at the incremental borrowing rate as it is generally not possible for GRAMMER to readily determine the interest rate on which the lease is based. Right-of-use assets are recognized at cost and are composed of:

- the amount derived from the initial measurement of the lease liability
- lease payments made on or before the leased asset becomes available less any lease incentives received
- initial direct costs
- restoration obligations

They are subsequently remeasured at amortized cost. Right-of-use assets are depreciated on a straight-line basis over the lease term or the expected useful life of the leased asset, whichever is the shorter. The guidance contained in IAS 36 on recognizing and measuring impairments also applies to right-of-use assets.

In the case of short-term leases (leases with a maximum duration of twelve months with no purchase option) and leases for low-value assets (office and business equipment, such as printers and small electronic devices), GRAMMER recognizes the lease payments on a straight-line basis in the income statement. This procedure is also applied to intangible assets.

The lease term comprises the non-cancelable term of a lease, taking into account options to extend or terminate it as well as purchase options, provided that it is reasonably certain that the option will be exercised. The assessment of whether it is reasonably certain that a contractual option will be exercised is made at the inception of the lease. Consideration is given to all relevant facts and circumstances that provide an economic incentive to exercise or not exercise the option, such as costs associated with relocation, material leasehold improvements, and the contractual terms, including any changes in those facts and circumstances that are expected to occur from the commencement date to the date the option is exercised. After the provision of the leased asset, the lease term is redefined if a material event or change in circumstances occurs that is within GRAMMER's control and affects the original determination of the lease term.

The lease liability is remeasured if the expected lease payments change, e.g. in the case of index-linked lease payments or due to new estimates regarding contractual options. The change to the carrying amount is recognized through equity by making a corresponding adjustment to the right-of-use asset.

Discontinued operations (IFRS 5)

Discontinued operations are reported when a component is classified as held for sale or has been disposed of during the reporting period, provided the component represents a separate, significant line of business or geographical area of operation and is part of a single, coordinated plan of disposal. A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction or through a distribution to the owners rather than through continuing use. A non-current asset or disposal group classified as held for sale is measured at the lower of carrying amount and fair value less selling costs. Impairment losses are recognized for each initial or subsequent write-down of the asset or disposal group to fair value less selling costs. For assets that are classified as held for sale, the scheduled depreciation and amortization are omitted. In the consolidated income statement and the consolidated statement of cash flows, discontinued operations are presented separately from continuing operations and prior periods are presented on a comparable basis. The consolidated result from discontinued operations includes only the result from transactions with third parties.

Intangible assets (IAS 38, IAS 36)

Intangible assets are initially recorded at cost. Costs of such intangible assets acquired under business combinations equal their fair value on their date of acquisition. They are subsequently recorded at cost less cumulative amortization and any accumulated impairment losses. Should the reasons for write-downs recognized in previous years no longer apply, these are increased up to the amount of the asset's original cost. However, the amount of such an increase is limited to amortized historical or production cost.

A distinction is drawn between intangible assets with a definite useful life and those with an indefinite useful life. With the exception of goodwill, the GRAMMER Group does not have any intangible assets with an indefinite useful life. Intangible assets with a definite useful life are amortized over their useful lives using the same method as for depreciation of property, plant, and equipment. They are also tested for impairment as soon as there is any indication that they might be impaired. If the expected useful life of the asset or the expected amortization schedule has changed, a different amortization period or amortization method is chosen. Such changes constitute a change of estimate. Intangible assets include patents and licenses. Patents may be either generated internally or acquired and are recognized at cost provided that the criteria

for recognition of an intangible asset are satisfied and the Group can provide proof of the development costs. Licenses for the use of intellectual property are issued for individual use for a period of one to ten years. Patents and licenses are amortized on a straight-line basis over their respective useful life.

Goodwill (IAS 38, IAS 36)

Goodwill is initially measured at cost defined as the excess of the consideration transferred over the identifiable assets acquired less the provisions, liabilities, and contingent liabilities of the entity acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not subject to scheduled amortization, but is tested for impairment annually or whenever there are any indications of impairment. In such a test, impairment is measured by the determination of the recoverable amount of the cash-generating unit that relates to the goodwill. The recoverable amount is the higher of the fair value less cost to sell and value in use. If the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized. First, the carrying amount of the goodwill allocated to the cash-generating unit and then, in proportion to the total carrying amount of the cash-generating unit, the carrying amount of the other assets of the unit is impaired. Impairment losses on goodwill are not reversed. Impairment is tested annually and additionally on an ad hoc basis at the level of the groups of cash-generating units at the Group that are expected to benefit from the synergies of the business combination. These units or groups of units represent the lowest level at which goodwill is monitored for internal management purposes. This requires an estimate to be made of the fair value less cost to sell of the cash-generating units to which the goodwill has been attributed. In order to estimate the fair value less cost to sell, the Group must estimate the expected future cash flows from the cash-generating unit as well as an appropriate discount rate in order to determine the present value of these cash flows. Forecasts of cash flows are based on historical data and management's best estimate of future events over the next five years. Cash flows beyond the forecast period are extrapolated on the basis of individual growth rates. The assumptions underlying the fair value less cost to sell and value in use entail estimated growth rates, weighted average cost-of-capital rates and tax rates. These estimates and the methods used to arrive at them may exert considerable influence on the applicable figures and ultimately also the amount of a possible impairment of goodwill.

Inventories (IAS 2)

According to IAS 2, inventories are valued at the lower of cost and net realizable value. Acquisition cost is measured in the Group using a moving average price and an adequate portion of the

costs associated with the procurement of goods. In addition to directly attributable expenses, production cost includes reasonable portions of manufacturing and materials overheads as well as depreciation. Administrative expenses are recognized insofar as they relate directly to production. Interest expenses are not recognized. Due to the elimination of intercompany profits, the cost of inventories from intercompany deliveries is calculated on the basis of retrograde discounts on the internal transfer prices. If, as a result of decreased prices on the market, the net realizable value on the reporting date is lower, the inventories are recognized at such lower prices.

Cash and short-term deposits (IAS 32, IAS 7)

Cash and short-term deposits, as reported in the statement of financial position, include cash on hand, bank balances, and short-term deposits with original terms to maturity of less than three months. These are recognized at amortized cost. For the consolidated statement of cash flows, cash and cash equivalents include the cash and short-term deposits defined above, less the bank overdrafts used (including short-term liabilities from factoring agreements).

Own shares (IAS 32)

If GRAMMER AG or a Group company acquires any own shares, they are carried at cost and deducted from equity. The purchase, sale, issue, or cancellation of own shares is recognized directly in equity. Any differences between the carrying amount and the consideration paid are recognized in equity.

Hybrid loans (IAS 32)

The recognition of hybrid loans depends on the specific structure of the instrument. A hybrid loan is accounted for and measured as an equity instrument if certain conditions are cumulatively met. These include the hybrid loan having no final maturity, the lender having no termination rights, and distributions being made at the discretion of GRAMMER. Hybrid loans are classified completely as equity according to IAS 32. They are reported below the "Equity attributable to shareholders of the parent company" item, as they were obtained by a subsidiary of GRAMMER AG.

Hybrid loans are recognized at cost using the historical exchange rate. Changes in exchange rates versus the historical exchange rate are recognized in accumulated other comprehensive income as a component of "Equity attributable to shareholders of the parent company." The compensation claims of the hybrid loan lenders are deducted from retained earnings and allocated to the hybrid loans.

Retirement benefits and other post-employment benefits (IAS 19)

The actuarial measurement of retirement benefit provisions is based on the projected unit credit method in respect of defined benefit plans in accordance with IAS 19. This valuation method is not only based on retirement benefit payments and vested benefits known as of the reporting date but also reflects future salary and pension increases. Actuarial gains or losses result from changes in the number of beneficiaries and differences between actual trends (e.g. salary or pension increases) compared with the assumptions on which the calculations were based and are recorded at fair value in other comprehensive income in the statement of comprehensive income and accumulated in equity in other comprehensive income. Current service cost, past service cost, gains and losses from plan curtailments, and extraordinary plan settlements are recognized within cost of revenue, administrative costs, or selling expenses depending on their function. Past service cost is recorded as an expense upon the plan change taking effect. With respect to defined-benefit plans, the GRAMMER Group has plan assets only in connection with one deferred compensation commitment. The net interest expenses and interest income on defined-benefit plans resulting from the plan assets are recorded in the financial result. Other post-employment benefits for employees are measured in accordance with IAS 19. Actuarial calculations are based on material assumptions including on discount rates, expected salary and pension trends, and mortality rates. The discount factors applied are determined on the basis of market yields on the reporting date on investment-grade corporate bonds with the appropriate maturity and currency denomination. Changes in market and economic conditions, particularly interest rates, may cause the underlying assumptions to differ from actual performance. Given the complexity of the measurements and their long-term nature, defined-benefit obligations react extremely sensitively to any changes in the underlying assumptions. These assumptions are reviewed on each reporting date. The GRAMMER Group does not offer defined-contribution pension plans for employees, with the exception of employer contributions to the statutory pension insurance scheme in Germany. Further details on retirement benefit obligations can be found in Note 21.

Provisions (IAS 37)

In accordance with IAS 37, provisions are recognized insofar as the Group, as a result of a past event, has present obligations toward third parties that will likely cause an outflow of resources and a reliable estimate can be made with respect to the amount of the obligation.

Where the Group expects at least a partial reimbursement of a provision (e.g., in the case of an insurance policy) for a particular matter, the reimbursement is recognized as a separate asset when it is virtually certain that reimbursement will be received. The expense relating to the provision is presented in the income statement net of the amount recognized for the reimbursement. Where the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the risks specific to the liability. When discounting, the increase in the amount of a provision reflecting the time value of money is recognized as an interest expense. Provisions for warranty costs are recognized at the time of sale of the relevant products or performance of the relevant services. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation.

The measurement of provisions for warranties and litigation is largely based on estimates and assumptions. For warranty estimates, a significant number of assumptions are made relating to technical disruptions, costs, and possible claims, which to some extent rely on operating management's past experience. These may change and be refined over time. A provision for restructuring costs is recognized for if the general criteria for the recognition of provisions in accordance with IAS 37 are satisfied. Termination benefits (IAS 19) are included in restructuring provisions. The Group is confronted with various legal disputes and regulatory processes in different countries. Warranty claims are also sometimes asserted in court proceedings. These can result in civil sanctions or monetary fines for the Group. The Group recognizes provisions for such litigation costs if it is probable that an obligation will arise from them that is likely to result in future cash outflows. If the Group has an onerous contract, the present contractual obligation is recognized and measured as a provision. However, before establishing a separate provision for an onerous contract, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract. This does not apply to contract assets as these represent services already transferred to the customer. An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the expected economic benefits. The unavoidable costs under a contract reflect the minimum net cost of exiting the contract, which is the lower of the cost of fulfilling it or any compensation or penalties arising from failure to fulfill it.

Share-based payment (IFRS 2)

The remuneration system for the Executive Board includes share-based remuneration as part of the variable performance-related remuneration. The share-based remuneration is included in the total shareholder return (TSR) as part of the long-term incentive (LTI) and is calculated by comparing the GRAMMER share price's performance over the four years of the performance period relative to the SDAX. The share-based remuneration is settled in cash and measured at its fair value on the reporting date. Pending payment of the LTI, the liability for the performance-related remuneration is remeasured on each reporting date and on the settlement date and any changes in fair value are recognized through profit and loss under administrative expenses.

Financial assets (IFRS 9)

Financial assets are recognized on their settlement dates and are initially measured at fair value plus transaction costs.

Following initial recognition, financial assets are subsequently measured either at amortized cost, at fair value in other comprehensive income, or at fair value through profit and loss. Financial assets are classified on the basis of the characteristics of the cash flows associated with them (cash flow criteria) and the GRAMMER Group's business model for managing financial assets (business model criteria). Financial assets that meet the cash flow criteria by generating cash flows that represent only payments of principal and interest on the outstanding principal amount can be measured at amortized cost or at fair value through other comprehensive income. This assessment is made on the basis of the individual financial instrument. Financial assets are assigned to the following categories within the GRAMMER Group: :

- Financial assets at amortized cost (FAAC)
- Financial assets at fair value through other comprehensive income without reclassification of the cumulative gains and losses on derecognition (equity instruments) (FVOCI)
- Financial assets at fair value through profit or loss (FVtPL)

"Financial assets at amortized cost" (FAAC) include cash and short-term deposits, trade accounts receivable, and loans and receivables (other financial assets). They are held in the context of the GRAMMER Group's business model, the objective of which is to hold assets to generate contractual cash flows. The cash flow criteria are met for these financial assets. Gains and losses are recognized as profit or loss in the period when they are derecognized or impaired or are

reduced through amortization. Subsequent to initial recognition, they are recognized at amortized cost using the effective interest rate method less any impairment losses. Trade accounts receivable are recognized at their invoice amounts.

Impairments of loans and receivables (other financial assets) are recognized in accordance with general principles. If their credit risk has not increased significantly since initial recognition, an impairment loss is recognized equaling the credit losses that are expected to occur within the next twelve months (12-month expected credit loss; Level 1). Expected credit losses are based on the difference between the contractual cash flows payable under the contract and the total cash flows expected to be received by the Group discounted using an approximation of the original effective interest rate. The expected cash flows include the cash flows from the sale of collateral held or other credit collateral that is an integral part of the terms of the contract. If credit risk has increased significantly since initial recognition, an impairment loss is recognized equaling the expected credit loss over the remaining term (lifetime expected credit loss; Levels 2 and 3). The expected credit loss is deducted from the carrying amount of the financial asset and recorded through profit and loss in a separate impairment account.

The simplified impairment model is applied to trade accounts receivable and contract assets and the lifetime expected losses duly recognized. The Group has drawn up an impairment matrix based on its past experience with credit losses and adjusted for forward-looking factors specific to borrowers and the economic environment. The practical simplification option for financial instruments is applied to cash and short-term deposits as they are exposed to only a minor credit risk. On each reporting date, it assesses whether the financial instrument has a low credit risk using all reasonable and reliable information available without unreasonable expense or time.

"Financial assets at fair value through profit or loss" (FVtPL) include financial assets classified as held for trading, financial assets initially recognized at fair value through profit and loss, and financial assets that must be recognized at their fair value. Financial assets are classified as held for trading if they have been purchased for the purpose of selling or repurchasing in the near future. Derivatives, including embedded derivatives recognized separately, are also classified as held for trading, with the exception of those derivatives that are designated as a hedge and are effective as such. They are initially recognized at fair value. Any gains and losses arising from them are not netted and are recognized through profit and loss in the financial result. Trade accounts receivable that are to be sold as part of factoring operations also fall into this category.

Upon initial recognition, the Group may make an irrevocable decision to measure its equity instruments at “Fair value through other comprehensive income” (FVOCI) if they satisfy the definition of equity in IAS 32 and are not held for trading. Each individual instrument is classified separately. Gains and losses arising upon derecognition of the financial asset remain within other comprehensive income (OCI). Gains and losses from investments in equity instruments are recognized in other comprehensive income.

If the contractual rights to cash flows generated by an asset have lapsed or materially all risks and opportunities under the financial asset are transferred, it is derecognized. Trade accounts receivable and other financial assets are derecognized before the settlement date as soon as it is established that they are no longer recoverable.

Financial liabilities (IFRS 9)

Upon initial recognition, financial liabilities are classified as financial liabilities recognized at fair value through profit or loss, as loans, as liabilities, or as derivatives that are designated as hedging instruments and effective as such. All financial liabilities are measured at fair value upon initial recognition; in the case of loans and liabilities, less the directly attributable transaction costs. Financial liabilities are assigned to the following categories:

- Financial liabilities at amortized cost (FLAC)
- Financial liabilities at fair value through profit or loss (FLtPL)

“Financial liabilities at fair value through profit or loss” (FLtPL) include financial liabilities held for trading purposes and other financial liabilities designated as measured at fair value through profit or loss upon initial recognition and derivatives with a negative market value that are not designated as hedging instruments or are ineffective as such.

Financial liabilities are classified as held for trading if they were entered into for the purpose of being repurchased in the near future. The financial liabilities assigned to this category are measured at fair value not only upon initial recognition but also in subsequent periods. Any resultant gains and losses are recorded through profit and loss. The portion of the fair value changes attributable to the change in the GRAMMER Group’s own credit risk is recognized not through

profit and loss but in other comprehensive income. The Group did not make use of the option to allocate financial liabilities to this category in the current financial year or in the previous year.

“Financial liabilities at amortized cost” (FLAC) comprise financial liabilities that are not assigned to any other category of financial liabilities. This category usually includes mainly loans. They are measured at amortized cost using the effective interest method. In the case of current financial liabilities, amortized cost equals the repayment or settlement amount. Gains and losses are recognized as profit or loss when the liabilities are derecognized or as part of amortizations by using the effective interest method.

Financial liabilities are derecognized when the obligation specified in the contract is discharged or canceled or has expired. The replacement of an existing financial liability with another financial liability from the same lender with fundamentally different terms or a subsequent modification of the terms of an existing financial liability is accounted for as derecognition of the original financial liability and recognition of the new financial liability. The difference between the carrying amounts is recognized in profit or loss for the period.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as currency forwards, cross-currency swaps, and interest rate swaps, to hedge interest rate, exchange rate, and other price risks. These derivative financial instruments are recognized at fair value at the time of agreement and remeasured at their fair value in subsequent periods. Depending on whether the fair value is positive or negative, they are recognized either as financial assets or as financial liabilities.

The GRAMMER Group classifies hedge relationships as cash flow hedges for accounting purposes. This hedges exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, a highly probable forecast transaction, or the foreign currency risk attributable to an unrecognized firm commitment.

At the inception of the hedge, there is formal designation and documentation of the hedging relationship and the Group’s risk management objective and strategy for undertaking the hedge.

Hedging instruments that meet all the criteria for hedge accounting are accounted for as follows:

The effective portion of the gain or loss from a hedging instrument is recognized in other comprehensive income in the statement of comprehensive income and accumulated in equity under accumulated other comprehensive income, whereas the ineffective portion is recognized immediately through profit or loss in the income statement. Accumulated other comprehensive income is adjusted to the lower of the following amounts:

- the cumulative gain or loss on the hedge since its inception at the date when the hedged cash flows affect profit or loss, or
- the cumulative change in the fair value of the hedged item if the hedging instrument continues to exist as of the reporting date

The Group uses currency forwards and cross-currency swaps to hedge the currency risk resulting from an expected transaction and forward commodity contracts to hedge the volatility risk of commodity prices. GRAMMER also uses interest rate swaps to hedge cash flows from variable-rate financial liabilities. As of the reporting date, the portfolio included currency forwards and cross-currency swaps, but no commodity futures contracts or interest rate swaps. In addition, there were fully effective hedging relationships for the forward exchange contracts. The compliance of critical conditions of the hedging instruments is taken into account. If the hedges do not satisfy the requirements of hedge accounting or they constitute the ineffective part of another effective hedge relationship, the change in fair value is recognized through profit and loss.

2.2. Application of new IFRS in the 2025 financial year

The IASB has published the following standards and interpretations, application of which was mandatory for the first time in 2025:

- Amendments to IAS 21: Lack of exchangeability

There were no material changes in the accounting policies applied beyond the newly applied standards.

Amendments to IAS 21: Lack of exchangeability

The IASB published amendments to IAS 21 (The Effects of Changes in Foreign Exchange Rates) in August 2023 that require entities to provide more useful information in their financial statements

as to when a currency is exchangeable into a foreign currency. This covers an area that has not previously been taken into account in the regulations.

The amendments require entities to use a uniform approach when assessing if a currency is not exchangeable and, if this is the case, when determining the exchange rate and the required disclosures in the notes.

The amendments must be applied for the first time to annual accounting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments are to be applied prospectively and specific transitional provisions must be observed.

2.3. Published standards that are not yet mandatory

Endorsed by the EU but not yet applied

The IASB published the standards and interpretations listed below, which have already been integrated into EU law as part of the comitology procedures but application of which was not yet mandatory in 2025:

- Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments
- Amendments to IFRS 9 and IFRS 7: Contracts referencing nature-dependent electricity
- IFRS 18: Presentation and disclosure in financial statements
- Annual Improvements to IFRS Accounting Standards – Volume 11

The GRAMMER Group did not adopt these standards and amendments prematurely. Only those standards and amendments of relevance to GRAMMER's consolidated financial statements are described below in greater detail. The other standards published by the IASB and IFRIC are not relevant to the Group and therefore are not included here.

Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments

The IASB amended IFRS 9 following its Post-Implementation Review (PIR) of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with conditional features. The IASB also amended IFRS 7 (Financial instruments: disclosures). Companies must now provide additional disclosures about financial assets and financial liabilities that have certain contingent features.

The amendments introduce an additional SPPI test (Solely Payments of Principal and Interest) for financial assets with contingent features that are not directly related to a change in fundamental credit risks or costs, and include additional disclosure requirements for all financial assets and financial liabilities that have certain contingent features:

- that are not directly related to a change in the fundamental credit risks or costs; and
- are not measured at fair value through profit or loss.

In addition, the IASB amended IFRS 9 to allow an entity to treat a financial liability settled in cash through an electronic payment system as settled before the settlement date if certain criteria are met.

The amendments must be applied for the first time to annual accounting periods beginning on or after January 1, 2026, with earlier application permitted. The impact on the scope of the disclosures in the notes had not yet been conclusively examined at the time of preparation of the consolidated financial statements for the 2025 financial year.

Amendments to IFRS 9 and IFRS 7: Contracts referencing nature-dependent electricity

The changes are to be applied from January 1, 2026, and affect only contracts referencing nature-dependent electricity. These are defined in the newly introduced IFRS 9.2.3A as contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These may be contracts for the purchase or sale of electricity generated from natural resources, as well as financial instruments related to such electricity.

The amendments to IFRS 9 and IFRS 7 affect three key areas:

- A change in the requirements for applying the “own use exemption,” which states that contracts do not become derivatives if they are concluded for own use and are physically settled.
- Enabling hedge accounting when contracts referencing nature-dependent electricity are used as hedging instruments.
- An addition to new disclosure requirements in accordance with IFRS 7.

Since GRAMMER, regardless of whether electricity is obtained from nature-dependent sources, purchases electricity only for its own use, the own use exemption would apply to the purchase of nature-dependent electricity. The hedge accounting rules therefore do not apply. The changes have no impact on the GRAMMER Group.

IFRS 18: Presentation and disclosure in financial statements

In April 2024, the IASB published IFRS 18 (Presentation and disclosure in financial statements) to improve the comparability of financial statements and disclosures of similar companies. The standard will replace IAS 1 (Presentation of financial statements) and impacts the presentation of the primary financial statements and the notes.

For the income statement, the standard requires the presentation of separate categories of income and expenses for operating activities, investing activities, and financing activities based on an entity’s main business activities. It also prescribes newly defined subtotals for “operating profit” and “profit before financing and income taxes.” The “operating profit” subtotal will explicitly exclude income from investing and financing – for example, earnings of companies accounted for using the equity method will no longer be included in operating profit but will be reported in the “Capital expenditure” category.

IFRS 18 will also require that management-defined key performance indicators (non-GAAP indicators) must be explained and included in a separate note to the consolidated financial statements. For each key performance indicator defined by management, companies must explain in a note to the financial statements why the indicator provides useful information, how it is calculated, and how it is reconciled to an amount determined in accordance with IFRS accounting standards.

The new standard must be applied for the first time to annual accounting periods beginning on or after January 1, 2027, including interim financial statements, and must be applied retrospectively. Early application is permitted. As of the reporting date, GRAMMER AG had not yet completed its assessment of the impact of the standard, but it is expected that the presentation of the consolidated income statement will change significantly and that further disclosures will have to be made in the notes.

The Group is currently evaluating the potential impact of the new standard, particularly with regard to the structure of the consolidated income statement, the cash flow statement, and the additional disclosure requirements for key performance indicators defined by management. The Group is also reviewing the impact on the way information is grouped in the financial statements, including items currently referred to as “Other.”

Annual Improvements to IFRS Accounting Standards – Volume 11

The amendments are mandatory for financial years beginning on or after January 1, 2026. The GRAMMER Group has not applied them early. The annual improvements address minor changes to several standards, which are intended primarily to provide clarification, make minor corrections, or resolve potential contradictions.

The amendments affect the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: Accounting for Hedging Transactions on First-time Adoption of IFRS
- IFRS 7 Financial Instruments: Disclosures: Gain or Loss on Derecognition
- IFRS 7 Financial Instruments: Disclosures: Implementation Guidance for IFRS 7:
 - Introduction
 - Disclosure of Deferred Difference between Fair Value and Transaction Price
 - Credit Risk Disclosure
- IFRS 9 Financial Instruments:
 - Lessee Derecognition of Lease Liabilities
 - Transaction Price
- IFRS 10 Consolidated Financial Statements: Determination of a De Facto Agent
- IAS 7 Cash Flow Statement: Cost Method

As of the reporting date, GRAMMER AG had not yet completed its assessment of the effects of the amendments, but no significant impact is expected.

Not yet endorsed by the EU

IFRS 19: Subsidiaries without Public Accountability

IFRS 19, published in May 2024, is a voluntary standard for subsidiaries that do not have their own public accountability requirements. The standard is currently undergoing the formal process of the European Commission. Final approval and publication in the Official Journal is expected in the first half of 2026. The standard will not apply to the GRAMMER Group.

Amendments to IAS 21 (Hyperinflation)

On November 13, 2025, the IASB published amendments to IAS 21. These are relevant to companies that translate financial information into a hyperinflationary presentation currency. This applies, for example, to the translation of a foreign business operation with a non-hyperinflationary currency into the hyperinflationary presentation currency of the parent company. IFRS 19 was

also amended in line with these changes. The amendments must be applied for the first time to annual accounting periods beginning on or after January 1, 2027, with earlier application permitted. Approval by the EU is still pending. The standard will not apply to the GRAMMER Group.

3. Retroactive adjustment of presentation in the financial statements

Reclassification of liabilities from overlapping factoring transactions and customer payments

In the reporting year, a retroactive adjustment was made to the presentation within the balance sheet. Liabilities to factoring partners arising in connection with overlapping factoring transactions and customer payments are now reported under other current liabilities instead of current financial liabilities as was previously the case.

The amended financial statements reflect an adjustment to the classification and presentation methodology in order to more accurately reflect the economic substance of the underlying operating transactions in the financial statements.

Statement of financial position

EUR k

Liabilities	Note	December 31, 2024		January 1, 2024			
		After adjustment	Before adjustment	After adjustment	Before adjustment		
Current financial liabilities	22	66,084	-23,001	89,085	269,165	- 17,463	286,628
Other current liabilities	26	124,939	23,001	101,938	110,939	17,463	93,476

This resulted in a shift between the cash flows from operating activities and financing activities reported in the cash flow statement, which was also adjusted retroactively for the comparative year. In the following sections, affected tables are marked with footnotes.

4. Scope of consolidation

Information on subsidiaries

The consolidated financial statements include the financial statements of GRAMMER AG as the parent and the following subsidiaries:

Name of subsidiary	Domicile	Main activity	Equity interest (%)	
			2025	2024
1. Subsidiaries fully consolidated in the consolidated financial statements				
1. GRAMMER do Brasil Ltda.	Atibaia, Brazil	Automotive / Commercial Vehicles	100.00	100.00
2. GRAMMER Seating Systems Ltd.	Bloxwich, United Kingdom	Distribution company	100.00	100.00
3. GRAMMER Koltuk Sistemleri Sanayi ve Ticaret A.S.	Bursa, Turkey	Commercial Vehicles	99.40	99.40
4. GRAMMER Inc.	Shannon (MS), USA	Automotive / Commercial Vehicles	100.00	100.00
5. GRAMMER CZ s.r.o.	Tachov, Czech Republic	Automotive / Commercial Vehicles	100.00	100.00
6. GRAMMER Japan Ltd.	Tokyo, Japan	Distribution company	100.00	100.00
7. GRAMMER AD	Trudovetz, Bulgaria	Automotive / Commercial Vehicles	98.84	98.84
8. GRAMMER System GmbH	Amberg, Germany	Automotive	100.00	100.00
9. GRAMMER Automotive Metall GmbH	Amberg, Germany	Automotive	100.00	100.00
10. GRAMMER Automotive Slovenija d.o.o.	Slovenj Gradec, Slovenia	Automotive	100.00	100.00
11. GRAMMER Industries, LLC ¹	Troy (MI), United States	Automotive	0.00	100.00
12. GRAMMER Automotive Puebla S.A. de C.V.	Puebla, Mexico	Automotive / Commercial Vehicles	100.00	100.00
13. GRAMMER Automotive Polska Sp. z o.o.	Bielsko-Biala, Poland	Automotive	100.00	100.00
14. GRAMMER Interior (Tianjin) Co., Ltd.	Tianjin, China	Commercial Vehicles	100.00	100.00
15. GRAMMER Interior (Changchun) Co., Ltd.	Changchun, China	Automotive	100.00	100.00
16. GRAMMER Interior (Shanghai) Co., Ltd.	Shanghai, China	Automotive / Commercial Vehicles	100.00	100.00
17. GRAMMER System d.o.o.	Aleksinac, Serbia	Automotive	100.00	100.00
18. GRAMMER Railway Interior GmbH	Amberg, Germany	Commercial Vehicles	100.00	100.00
19. GRAMMER Deutschland GmbH	Kümmersbruck, Germany	Commercial Vehicles	100.00	100.00
20. GRAMMER Electronics N.V.	Aartselaar, Belgium	Commercial Vehicles	100.00	100.00
21. GRAMMER Interior (Beijing) Co., Ltd.	Beijing, China	Automotive	100.00	100.00
22. GRAMMER Automotive CZ s.r.o.	Česká Lípa, Czech Republic	Automotive	100.00	100.00
23. GRAMMER Seating (Ningbo) Co., Ltd.	Ningbo City, China	Automotive / Commercial Vehicles	100.00	100.00
24. GRAMMER Automotive South Africa (Pty) Ltd.	Bedfordview, South Africa	Automotive	100.00	100.00

Name of subsidiary	Domicile	Main activity	Equity interest (%)		
			2025	2024	
1. Subsidiaries fully consolidated in the consolidated financial statements					
25.	GRAMMER Argentina S.A.	Buenos Aires, Argentina	Commercial Vehicles	99.96	99.96
26.	GRAMMER Interior Components GmbH	Hardheim, Germany	Automotive	100.00	100.00
27.	GRAMMER Seating (Shaanxi) Co., Ltd.	Weinan City, China	Commercial Vehicles	90.00	90.00
28.	GRAMMER Vehicle Interior Components (Changchun) Co., Ltd. ²	Changchun, China	Automotive	100.00	100.00
29.	GRAMMER Vehicle Parts (Shenyang) Co., Ltd.	Shenyang, China	Automotive	100.00	100.00
30.	GRAMMER (China) Holding Co., Ltd.	Hefei City, China	Holding company	100.00	100.00
31.	GRAMMER Vehicle Parts (Harbin) Co., Ltd.	Harbin, China	Commercial Vehicles	60.00	60.00
32.	GRAMMER Vehicle Parts (Qingdao) Co., Ltd.	Qingdao City, China	Commercial Vehicles	60.00	60.00
33.	GRAMMER CZ Servicecenter s.r.o.	Tachov, Czech Republic	Service company	100.00	100.00
34.	GRAMMER Vehicle Interiors (Hefei) Co., Ltd.	Hefei City, China	Automotive	100.00	100.00
35.	GRAMMER Americas, LLC	Wilmington (DE), United States	Commercial Vehicles	100.00	100.00
36.	GRAMMER Vehicle Parts (Changzhou) Co., Ltd.	Changzhou City, China	Automotive / Commercial Vehicles	100.00	100.00
37.	GRAMMER Business Center d.o.o.	Niš, Serbia	Service company	100.00	100.00
38.	GRAMMER Bosnia d.o.o.	Žepče, Bosnia and Herzegovina	Automotive	100.00	100.00
2. Consolidated joint ventures and associates accounted for at equity					
1.	GRA-MAG Truck Interior Systems LLC ³	London (OH), United States	Commercial Vehicles	0.00	50.00
2.	AllyGram Systems and Technologies Private Limited	Pune, India	Development company	30.00	30.00
3. Subsidiaries not included in the consolidated financial statements due to immateriality					
1.	GRAMMER Italia srl.	Jesi, Italy	Distribution company	100.00	100.00
2.	GRAMMER France S.A.R.L	Limonest, France	Distribution company	100.00	100.00

¹ GRAMMER Industries, LLC was dissolved on June 11, 2025, and deconsolidated on June 30, 2025; see Note 6.

² Effective October 29, 2025, Changchun GRAMMER FAWSN Vehicle Parts Co., Ltd. changed its name to GRAMMER Vehicle Interior Components (Changchun) Co., Ltd.

³ The shares in joint venture GRA-MAG Truck Interior Systems LLC were sold on November 17, 2025; see Note 6.

In addition to GRAMMER AG, the consolidated financial statements include five (previous year: five) domestic and 33 (previous year: 34) foreign companies that are directly or indirectly controlled by GRAMMER AG in accordance with IFRS 10.

The associate AllyGram Systems and Technologies Private Limited, Pune, India (ALLYGRAM), in which GRAMMER AG holds a 30% stake (previous year: 30%), is reported as an equity-accounted company.

The shares in joint venture GRA-MAG Truck Interior Systems LLC, London, OH, USA (GRA-MAG LLC) were sold effective November 17, 2025, and deconsolidated as of November 30, 2025. For details, see Note 6.

The uniform reporting date for all of the consolidated companies is December 31, 2025.

2025

	Germany	International	Total
Fully consolidated companies (including GRAMMER AG)	6	33	39
Companies accounted for at equity	0	1	1
Companies	6	34	40

2024

	Germany	International	Total
Fully consolidated companies (including GRAMMER AG)	6	34	40
Companies accounted for at equity	0	2	2
Companies	6	36	42

Within GRAMMER Group, investments are held in all subsidiaries that ensure a controlling influence.

The companies GRAMMER System GmbH, GRAMMER Automotive Metall GmbH, GRAMMER Railway Interior GmbH, GRAMMER Deutschland GmbH, and GRAMMER Interior Components GmbH use the accounting conveniences provided for in Section 264 (3) of the HGB to varying extents.

5. Investments in joint ventures and associates

GRA-MAG LLC

GRA-MAG LLC was a joint venture in the USA operating in the AMERICAS region, primarily developing and manufacturing seats and seating systems for trucks. On November 17, 2025, GRAMMER AG sold its 50% stake in GRA-MAG Truck Interior Systems LLC, London, OH, USA (GRA-MAG LLC) and deconsolidated the at-equity investment on November 30, 2025. The deconsolidation gain is presented in Note 6.

The summary financial information included in GRAMMER AG's consolidated financial statements corresponds to the amounts in the joint venture's shortened financial statements for the financial year ending November 17, 2025, prepared in accordance with IFRS. It is therefore presented in GRAMMER AG's consolidated financial statements in accordance with these IFRS shortened financial statements.

EUR k

Income statement 100%	2025	2024
Revenue	47,513	70,050
Cost of revenue including systematic depreciation of EUR 459 k (previous year: EUR 497 k)	-39,445	-58,719
Selling expenses	-109	-121
Administrative expenses	-5,736	-5,793
Interest expense	-270	-460
Earnings before taxes	1,953	4,957
Income taxes	-66	-72
Net profit/loss	1,887	4,885
Group's share of profit or loss (50%)	944	2,443

EUR k		
statement of financial position 100%	2025	2024
Non-current assets	4,556	1,818
Current assets	11,847	12,016
Assets	16,403	13,834
Non-current liabilities	8,896	11,495
Current liabilities	4,498	1,012
Liabilities	13,394	12,507
Equity	3,009	1,327
Share held by the Group	50%	50%
Goodwill from first-time consolidation	2,043	2,043
Carrying amount of the investment	1,504	664

The gains/losses (-) of GRA-MAG LLC break down as follows:

EUR k		
Gains/losses (50%)	2025	2024
Gains/losses (-) of GRA-MAG LLC as of January 1	1,105	-1,338
Gains of GRA-MAG LLC in the reporting period	943	2,443
Gains/losses (-) of GRA-MAG LLC as of November 17	2,048	1,105

The joint venture had no contingent liabilities or capital commitments as of November 17, 2025, and December 31, 2024. The GRAMMER Group is not involved in any joint arrangements within the scope of IFRS 11.

Other immaterial investments accounted for using the equity method

GRAMMER AG holds a 30% interest in the capital of AllyGram Systems and Technologies Private Limited, Pune, India (ALLYGRAM). ALLYGRAM is an associate in India that provides development services for the global GRAMMER sites. As in the previous year, the Group's shares in ALLYGRAM are recognized in the consolidated financial statements using the equity method. As of December 31, 2025, ALLYGRAM's equity amounted to EUR 761 thousand (previous year: EUR 987 thousand). Accordingly, the share of net profit of EUR 386 thousand (previous year: EUR 584 thousand) was recognized in profit and loss along with the share of dividends received amounting to EUR 460 thousand (previous year: EUR 723 thousand). In addition, foreign currency differences of EUR -148 thousand (previous year: EUR 33 thousand), actuarial losses of EUR 0 thousand (previous year: EUR 0 thousand), and gains from cash flow hedges of EUR 5 thousand (previous year: EUR 6 thousand) were recognized in accumulated other comprehensive income. In the 2025 financial year, there was a payment of a dividend resolved in the previous year equivalent to EUR 460 thousand.

6. Company sales and business combinations

Company sales

Effective November 17, 2025, GRAMMER sold its 50% stake in the GRA-MAG joint venture. Until the date of sale, GRA-MAG continued to be accounted for using the equity method. At the time of sale, the carrying amount of the investment in GRA-MAG was derecognized in the amount of EUR 1,504 thousand. This is shown as a disposal in the following development table.

Development of the stake in the GRA-MAG joint venture

EUR k		2025
Carrying amount as of January 1		664
Share of GRA-MAG's profits		943
Currency translation differences		-103
Sale of shares in GRA-MAG		-1,504
Carrying amount as of December 31		0

As a result of the sale, GRAMMER no longer exercises significant influence over GRA-MAG and has therefore discontinued the application of the equity method as of the date of sale. The net effect of the transaction resulted in a gain on disposal, including the recycling of the cumulative amounts of other comprehensive income related to the investment to the consolidated income statement.

Gain on disposal of the stake in GRA-MAG

EUR k

	2025
Proceeds from the disposal of the 50% stake in GRA-MAG	7,183
Carrying amount of GRA-MAG at the time of disposal	-1,504
Reclassification of accumulated other comprehensive income (recycling)	-3,451
Gain on disposal of GRA-MAG	2,228

Business combinations

Effective December 31, 2024, the GRAMMER Group acquired the European business of the Ningbo Jifeng Group. Certain assets and liabilities, related patents, and regulatory approvals were transferred.

The main activity of the acquired European business is the development of individual components, assemblies, and systems for vehicle interiors. GRAMMER is thus consolidating its production capacities in Europe.

In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. Fewer assets were transferred than originally assumed. In addition, individual assets were deemed to be of no value and were removed in consultation with the buyer, meaning that they did not have to be paid for. Furthermore, following a final review, the liabilities in the final closing statement of financial position were increased slightly. This resulted in an adjustment of the purchase price of EUR 828 thousand in favor of the buyer.

The consolidated statement of financial position was adjusted retroactively in accordance with IFRS 3. In the rest of the report, the affected tables are marked with footnotes.

Statement of financial position

The preliminary purchase price of this business combination was allocated to the assets and liabilities acquired based on the preliminary purchase price allocation as follows:

EUR k

	Provisional fair value recognized on acquisition	Final fair value on acquisition
Property, plant, and equipment	22,935	22,685
Intangible assets	6,365	6,365
Deferred tax assets	121	121
Other assets	2,675	2,675
Non-current assets	32,096	31,846
Inventories	13,439	13,532
Current trade accounts receivable	11,489	11,443
Other current assets	934	706
Current assets	25,861	25,681
Assets	57,957	57,527
Non-current financial liabilities	7,297	7,297
Deferred tax liabilities	121	121
Non-current liabilities	7,418	7,418
Current trade accounts payable	12,294	12,904
Other current liabilities	557	557
Current provisions	4,986	4,986
Other current financial liabilities	1,138	1,138
Current liabilities	18,975	19,586
Liabilities	26,393	27,004

Total identifiable net assets at fair value	31,564	30,523
Goodwill from the acquisition	14,937	15,150
Consideration transferred	46,501	45,673
Cash acquired through the asset deal	0	0
Cash paid	46,501	45,673
Actual cash outflow resulting from the business combination	46,501	45,673

Loss of control over a subsidiary

During the current financial year, the American subsidiary GRAMMER Industries, LLC underwent an orderly liquidation process. Control over GRAMMER Industries, LLC was lost on June 30, 2025; the company was deconsolidated at that date.

Before the liquidation was initiated, certain assets were transferred within the Group to another Group company.

The contribution to earnings resulting from deconsolidation, comprising mainly the derecognition of the equity position of GRAMMER Industries, LLC and the recognition of the liquidation result, is reported under other operating income in the consolidated income statement.

GRAMMER Industries, LLC did not represent a separate significant business segment or region for the purposes of segment reporting and is therefore not classified as a discontinued operation.

The income and expenses of GRAMMER Industries, LLC recognized in the reporting year relate exclusively to the period up to the loss of control and are not reported separately in the consolidated financial statements.

Statement of financial position

The carrying amounts of the assets and liabilities at the date of deconsolidation are as follows:

EUR k

	Discontinued at the time of deconsolidation
Current trade accounts receivable	927
Cash and short-term deposits	340
Other current assets	13
Current assets	1,280
Assets	1,280
Current trade accounts payable	19,301
Current liabilities	19,301
Liabilities	19,301
Net assets disposed of	18,021
Consideration received or still outstanding	0
Net assets disposed of	18,021
Recycling of currency effects through total comprehensive income – equity	–496
Recycling of currency effects through total comprehensive income – shares	1,023
Elimination of hidden liabilities	0
Preliminary deconsolidation effect	18,548
Transaction costs	–139
Deconsolidation effect before write-off of intercompany receivables	18,409
Write-off of intercompany receivables	–19,108
Final deconsolidation effect	–699

The deconsolidation effect (profit) of EUR 18,548 thousand is fully attributable to EBIT; there were no tax effects. In connection with the deconsolidation, intercompany receivables totaling EUR 19,108 thousand had to be written off, mainly in the AMERICAS region, resulting in a deconsolidation effect after write-offs of EUR –699 thousand.

Legal advisory costs of EUR 139 thousand were incurred in connection with the liquidation of the company.

Currency effects that were recognized in total comprehensive income or recognized in the statement of comprehensive income and accumulated in equity under accumulated income were recycled upon deconsolidation and recognized in the consolidated income statement.

7. Segment reporting

The segments described below cover the internal reporting and organizational structure of the GRAMMER Group in the 2025 financial year. Determination of the Company's key management indicators is based on the data contained in consolidated financial statements prepared in accordance with IFRS. For management purposes, the Group is classified by region and has three reportable business segments:

The EMEA region (Europe, Middle East, Africa) comprises all European companies as well as the companies in Turkey and South Africa. The AMERICAS region includes all companies in North, Central, and South America, while APAC (Asia Pacific) is made up of all Chinese companies and Japan. Alongside the three segments, Central Services comprises the higher-level general corporate functions, which are allocated to GRAMMER AG.

The EMEA region is the largest of the three reportable segments within the GRAMMER Group. Based on the total revenue of the three reportable segments (excluding cross-segment eliminations), 57.4% (previous year: 52.9%) of revenue was generated in the EMEA region in the 2025 financial year, followed by the APAC region at 25.6% (previous year: 27.2%) and the AMERICAS region at 17.0% (previous year: 19.9%).

In the 2025 financial year, total revenue of EUR 221.2 million (previous year: EUR 224.5 million) was generated with one major customer. This represented 12.1% (previous year: 11.7%) of the GRAMMER Group's total revenue.

Revenue, earnings before interest and taxes (EBIT), operating EBIT, and the operating EBIT margin of the product areas are monitored separately by management so that decisions can be made on allocating resources and the units' profitability can be determined. These line items represent material line items for segment control. Group financing (including financing income and expenses, other financial result) as well as income taxes are managed uniformly and autonomously within the Group and not allocated to the individual segments. Similarly, expenses for Central Services are not broken down by segment. The Central Services department carries out Group-wide functions in controlling, taxes and risk management, marketing and communications, purchasing, development, operations, finance, internal audit, investor relations, IT, human resources, accounting, legal affairs, and compliance.

Transfer prices between the Group's operating segments are based on market prices established at arm's length. Segment income, expenses, and earnings include intra-Group transactions between the segments. These transfers within the segments are eliminated at the segment level and transfers between the segments upon consolidation at the Group level.

No further supply and service relationships were entered into or planned with discontinued operations after their departure from the Group.

Reporting segments

The following tables include information on income and earnings as well as selected information on the assets and liabilities of the Group's business segments:

2025

EUR k

	EMEA	AMERICAS	APAC	Central Services	Eliminations	GRAMMER Group
Revenue from sales to external customers	1,034,119	315,840	471,244	0	0	1,821,203
Inter-segment revenue	35,446	1,095	6,029	0	-42,570	0
Revenue	1,069,565	316,935	477,273	0	-42,570	1,821,203
Discontinued operations	0	0	0	0	0	0
Revenue according to the consolidated statement of income	1,069,565	316,935	477,273	0	-42,570	1,821,203
Cost of sales	-941,293	-315,116	-396,973	-11,146	52,459	-1,612,069
Segment earnings (EBIT)	58,529	-15,569	42,361	-16,023	-197	69,101
Financial income						8,013
Financial expenses						-47,936
Other financial result						3,311
Earnings before taxes						32,489
Income taxes						-9,013
Net profit/loss from continuing operations						23,476
Net profit/loss from discontinued operations						0
Net profit/loss						23,476
Other segment information						
Capital expenditure						
Property, plant, and equipment	29,505	26,695	28,990	3,539	0	88,729
Intangible assets	322	54	76	4,857	0	5,309
Depreciation and amortization						
Depreciation of property, plant, and equipment	-35,777	-12,387	-22,832	-5,147	0	-76,143
Amortization of intangible assets	-1,182	-48	-160	-2,543	0	-3,933
Non-cash items						
Changes in retirement benefit provisions	3,782	703	11	2,486	0	6,982

2024

EUR k

	EMEA	AMERICAS	APAC	Central Services	Eliminations	GRAMMER Group
Revenue from sales to external customers	1,004,354	543,679	529,940	0	0	2,077,973
Inter-segment revenue	39,932	4,262	6,668	0	-50,862	0
Revenue	1,044,286	547,941	536,608	0	-50,862	2,077,973
Discontinued operations	0	-156,246	0	0	0	-156,246
Revenue according to the consolidated statement of income	1,044,286	391,695	536,608	0	-50,862	1,921,727
Cost of sales	-953,647	-381,962	-448,662	-15,291	67,144	-1,732,418
Segment earnings (EBIT)	9,767	-19,816	46,566	-29,546	1,091	8,062
Financial income						9,170
Financial expenses						-45,774
Other financial result						4,826
Earnings before taxes						-23,716
Income taxes						-24,317
Net profit/loss from continuing operations						-48,033
Net profit/loss from discontinued operations						-44,728
Net profit/loss						-92,761
Other segment information						
Capital expenditure						
Property, plant, and equipment	34,417	11,379	38,585	3,500	0	87,881
Intangible assets	156	36	153	8,000	0	8,345
Depreciation and amortization						
Depreciation of property, plant, and equipment	-32,012	-12,125	-20,487	-5,619	0	-70,243
Amortization of intangible assets	-263	-94	-154	-2,042	0	-2,553
Non-cash items						
Changes in retirement benefit provisions	4,757	589	12	2,678	0	8,036

Information on product areas

The following tables include information on externally generated revenue and non-current assets of the Group's product areas for the financial years ending December 31, 2025 and 2024.

2025

EUR k

By product area	Automotive	Commercial Vehicles	Central Services	GRAMMER Group
Revenue EMEA	620,513	449,052	0	1,069,565
Revenue AMERICAS	209,823	107,112	0	316,935
Revenue APAC	341,397	135,876	0	477,273
Eliminations	-14,294	-28,276	0	-42,570
Revenue	1,157,439	663,764	0	1,821,203
Non-current assets (property, plant, and equipment plus intangible assets)	410,105	104,027	123,311	637,443

2024

EUR k

By product area	Automotive	Commercial Vehicles	Central Services	GRAMMER Group
Revenue EMEA	607,730	436,556	0	1,044,286
Revenue AMERICAS	276,319	115,376	0	391,695
Revenue APAC	404,565	132,043	0	536,608
Eliminations	-19,133	-31,729	0	-50,862
Revenue	1,269,481	652,246	0	1,921,727
Non-current assets (property, plant, and equipment plus intangible assets)	403,691	112,651	123,493	639,835

The product areas of the GRAMMER Group focus on creating and implementing global market, customer, and product strategies. In the Automotive product area, the GRAMMER Group operates as a supplier to the automotive industry, developing and producing headrests, armrests, center console systems, high-quality interior components, and control systems. The Group sells these products to automotive OEMs and their system suppliers. The Commercial Vehicles product area develops and produces driver and passenger seats for trucks, driver seats for off-road vehicles (tractors, construction machinery, and forklifts), and seats and seating systems for trains and buses. In this product area, GRAMMER operates as a supplier to the commercial vehicle industry, selling driver and passenger seats to commercial vehicle OEMs and as an aftermarket supplier. It also sells driver and passenger seats to bus and rolling stock OEMs, as well as rail operators.

8. Revenue from contracts with customers

The GRAMMER Group generates revenue from the transfer of goods and services both over time and on a point-in-time basis in the following segments:

2025

EUR k

Point in time of revenue recognition	EMEA	AMERICAS	APAC	Eliminations	GRAMMER Group
Goods transferred at a specific point in time	1,005,923	293,501	453,308	-38,672	1,714,060
Goods and services transferred over time	63,642	23,434	23,965	-3,898	107,143
Intragroup transactions	-35,446	-1,095	-6,029	42,570	0
Total revenue from contracts with customers	1,034,119	315,840	471,244	0	1,821,203

2024

EUR k

Point in time of revenue recognition	EMEA	AMERICAS	APAC	Eliminations	GRAMMER Group
Goods transferred at a specific point in time	981,070	370,512	504,842	-47,485	1,808,939
Goods and services transferred over time	63,216	21,183	31,766	-3,377	112,788
Intragroup transactions	-39,932	-4,262	-6,668	50,862	0
Total revenue from contracts with customers	1,004,354	387,433	529,940	0	1,921,727

Of the net contract liabilities of EUR 4,467 thousand reported as of December 31, 2025, 68% were recognized as revenue in the 2025 financial year (previous year: approximately 50% of EUR 4,865 thousand).

In 2025 and 2024, there was likewise no material revenue from performance obligations that had been fulfilled in part or in full in earlier periods.

9. Other income and expenses

9.1. Other operating income

Other operating income primarily includes income from recharged handling costs of EUR 3,426 thousand (previous year: EUR 4,006 thousand), income from the sale of metal waste of EUR 2,837 thousand (previous year: EUR 3,412 thousand) and one-time compensation payments amounting to EUR 7,641 thousand (previous year: EUR 387 thousand). The reversal of provisions from previous years resulted in other operating income of EUR 13,359 k (previous year: EUR 1,670 thousand). Of this amount, EUR 6,298 thousand related to the reversal of warranty provisions due to the insolvency of a contractual partner, while at the same time, an offsetting expense of EUR 5,202 thousand arose as a result. Other operating income also included income from costs passed on and rental and lease income amounting to EUR 3,917 thousand (previous year: EUR 3,518 thousand) and income from government grants amounting to EUR 3,378 thousand (previous year: EUR 4,026 thousand). The government grants were received for the acquisition of certain items of property, plant, and equipment as well as in the form of income subsidies. The conditions attached to these grants were met in full. Other operating income also included the deconsolidation gain of EUR 18,548 thousand and the resulting write-downs on intercompany receivables from the disso-

lution of an American subsidiary amounting to EUR 19,108 thousand; see also Note 6. Other operating income also included the effect on earnings from the sale of a joint venture amounting to EUR 2,228 thousand. The previous year included income from a refund claim for other taxes amounting to EUR 1,882 thousand from PIS and COFINS (Programa de Integração Social / Contribuição para o Financiamento da Seguridade Social), two VAT-like taxes in Brazil. The refund claim includes taxes paid twice. Brazilian courts confirmed the refund claim in 2021.

9.2. Financial result

The following table breaks down financial result:

EUR k

	2025	2024
Interest income on bank balances	7,313	6,572
Income from other financial assets	362	735
Income from other assets	338	1,863
Financial income	8,013	9,170
Interest on loans and overdrafts	-39,224	-38,245
Other interest costs	-1,300	-320
Interest cost of retirement benefit provisions	-4,772	-4,813
Loss from financial assets and liabilities at fair value through profit or loss	-46	-23
Interest element of lease payments	-2,594	-2,373
Financial expenses	-47,936	-45,774
Currency translation gains/losses from bank balances and cash on hand	3,243	-863
Exchange rate differences from intercompany finance	68	5,689
Other financial result	3,311	4,826
Financial result	-36,612	-31,778

The deterioration in the financial result was due mainly to higher financial expenses and lower financial income compared with the 2024 financial year. The reduction in financial income was due primarily to lower income from other assets, which, as in the previous year, consisted of interest income related to the refund claim for other taxes from PIS and COFINS in Brazil amounting to EUR 338 thousand (previous year: EUR 1,863 thousand).

Financial expenses increased due to interest on loans and overdrafts as well as other interest charges related to the ongoing restructuring.

Other financial income declined due to significantly lower exchange rate gains from intercompany loans as a result of the weaker performance of the US dollar, which was not offset by the significant increase in exchange rate gains in bank balances / cash on hand.

9.3. Explanations of the functional costs, depreciation and amortization, and impairments included in the consolidated income statement

Cost of revenue

The cost of revenue includes the manufacturing costs attributable to revenue for finished goods and expenses for merchandise amounting to EUR 1,541,381 thousand (previous year: EUR 1,649,477 thousand). This item also includes costs for operating below capacity and any other production-related overheads and administrative expenses, as well as expenses for provisions for product warranties. Similarly, expenses incurred in the establishment and expansion of individual locations in preparation for upcoming series production, known as industrialization costs, are recorded here if it is not possible to separate them. Non-capitalized research and development expenses incurred in the Commercial Vehicles product area are also included here. The cost of revenue in the 2025 financial year also included special charges from non-recurring business transactions amounting to EUR 1,055 thousand (previous year: EUR 3,532 thousand). In the 2025 financial year, these included expenses for restructuring measures of EUR 1,055 thousand (previous year: EUR 3,532 thousand). In the 2025 financial year, the cost of revenue included government grants for research projects and higher energy costs of EUR 18 thousand (previous year: EUR 19 thousand), which served to reduce this expense item.

Selling expenses

Selling expenses amounting to EUR 28,960 thousand (previous year: EUR 27,227 thousand) are expenses of the sales and distribution function and primarily refer to expenses incurred by the sales, advertising, and marketing departments, as well as all overhead costs attributable to these functions or activities.

Administrative expenses

Administrative expenses include all expenditure relating to administration that cannot be directly attributed to other functional areas. This includes expenses for general administration, management, and other higher-level departments. Income from exchange rate differences amounting to EUR 20,486 thousand (previous year: EUR 19,130 thousand), comprising mainly gains from exchange rate differences between the date on which foreign currency receivables and liabilities arose and the date of payment, as well as exchange rate gains from valuation at the closing rate, is also reported under other administrative expenses. Exchange rate losses amounting to EUR 31,809 thousand (previous year: EUR 16,138 thousand) are also reported under other administrative expenses. Administrative expenses also included various special charges from non-recurring business transactions of EUR 4,855 k (previous year: EUR 32,992 thousand) in the 2025 financial year. These directly attributable costs in the 2025 financial year included expenses for restructuring measures of EUR 2,767 thousand (previous year: EUR 27,823 thousand) and expenses for M&A of EUR 2,088 thousand (previous year: EUR 4,330 thousand). There were no refinancing expenses in the 2025 financial year (previous year: EUR 839 thousand).

Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment

Intangible assets accounted for scheduled depreciation of EUR 3,933 thousand (previous year: EUR 2,553 thousand), which was allocated to the cost of revenue and selling and administrative expenses on an accrual basis. Depreciation and amortization included EUR 1,451 thousand (previous year: EUR 1,277 thousand) for capitalized development costs, which are reported in cost of revenue. Depreciation of EUR 76,143 thousand (previous year: EUR 70,243 thousand) was recognized on property, plant, and equipment. Of this amount, EUR 19,097 thousand (previous year: EUR 17,681 thousand) related to scheduled depreciation of rights of use. No expenses due to a lower recoverable amount (impairment losses) were incurred in the 2025 financial year. Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment are recognized in the income statement under cost of revenue, selling expenses, and general administrative expenses.

9.4. Personnel expenses

Personnel expenses from continuing operations are presented in the following table:

EUR k

	2025	2024
Wages and salaries including allocations to personnel-related provisions	348,039	388,609
Social security contributions	90,089	84,675
Employee benefits expense	438,128	473,284

10. Income taxes

The key components of income taxes for the 2025 and 2024 financial years break down as follows:

EUR k

	2025	2024
Consolidated statement of income		
Actual income taxes		
Actual tax expenses – Germany	-8,350	-3,056
Actual tax expenses – international	-11,890	-14,153
Total actual tax expenses	-20,240	-17,209
Deferred taxes		
Deferred tax liabilities (-) / deferred tax assets – Germany	3,813	-5,516
Deferred tax liabilities (-) / deferred tax assets – international	7,414	-1,592
Deferred tax liabilities (-) / deferred tax assets	11,227	-7,108
Tax expenses (-)/income reported in the consolidated statement of income	-9,013	-24,317
Income taxes are attributable to:		
Gains from continuing operations	-9,013	-24,317
Gains from discontinued operations	0	-494
	-9,013	-24,811

The increase in actual income tax expense in Germany is attributable primarily to a tax audit conducted during the financial year, which resulted in additional income tax expenses of EUR 4.0 million. International income tax expenses decreased compared with the previous year, due mainly to tax incentives that were utilized in China.

In Germany, deferred tax income was generated on temporary differences due to a decline in deferred tax liabilities, which can also be explained by the decision to reduce corporate income tax rates, while deferred tax assets on loss carryforwards remained at roughly the same level as in the previous year. In the previous year, however, deferred tax expense was still reported due to the increase in deferred tax liabilities.

Deferred tax income of EUR 11.2 million (previous year: expenses of EUR -7.1 million) is explained in the amount of EUR 8.9 million (previous year: EUR -6.9 million) by changes in temporary differences. Tax rate changes affecting the German group of companies (gradual reduction in the corporate income tax rate from the 2028 assessment period) and a company in China, where deferred tax assets were revalued as a result of an increase in the corporate tax rate, as well as the capitalization of deferred taxes on loss carryforwards, also contributed to this.

The significant improvement in the tax rate compared with the previous year was attributable primarily to the additional capitalization of deferred taxes abroad, particularly at a company in Mexico, and the decline in deferred tax liabilities in Germany. In addition, the positive effects on the pre-tax result at Group level resulting from the liquidation of GRAMMER Industries (see Note 6) were not offset by any actual tax burden. There was a negative impact from the fact that, due to the history of losses in the US, deferred taxes could not be capitalized on the accumulated losses. In this case, there is no substantial evidence indicating that sufficient taxable income towards which the unused losses can be used will arise in the future.

As of the reporting date, the Group had loss carryforwards totaling EUR 462.1 million (previous year: EUR 561.0 million). No deferred tax assets were recognized for tax losses of EUR 389.0 million (previous year: EUR 437.0 million). If the Group had been able to recognize all unconsidered deferred tax assets from the 2025 financial year and preceding years, net profit and equity would have increased by a total of EUR 74.7 million (previous year: EUR 89.1 million). This amount includes only deferred taxes on loss carryforwards. Deferred taxes on temporary differences were recognized in full, with the exception of interest carryforwards at GRAMMER AG amounting to EUR 5.2 million (previous year: EUR 0).

Reconciliation between the income tax expenses reported in the consolidated income statement and the product of the reported earnings before taxes and the applicable tax rate for the Group for the 2025 and 2024 financial years is as follows:

EUR k	2025	2024
Earnings before taxes from continuing operations	32,490	-23,716
Income taxes at the effective tax rate in Germany of 28.9% (previous year: 28.9%)	-9,390	6,854
Effects from minimum taxation and withholding taxes	-2,423	-2,180
Actual income taxes relating to previous years	-668	-2,104
Effects of the non-recognition of deferred taxes for the current year	-6,385	-10,771
Change in deferred taxes from previous years	3,583	-5,636
Tax reduction from tax-exempt income	16,284	1,494
Non-deductible expenses	-14,542	-10,299
Other tax effects	390	197
Effect of changes in tax rates / tax law	2,819	0
Effect of foreign tax groups on tax rate	1,319	-1,872
Income taxes from continuing operations at an effective income tax rate of -27.7% (previous year: 102.5%)	-9,013	-24,317

In the 2025 financial year, deferred tax assets on loss carryforwards amounting to EUR 6.4 million (previous year: EUR 10.8 million) were not recognized, primarily affecting the tax group in the US and the German tax group, as there was insufficient positive taxable income available to realize the loss carryforwards.

In China in particular, deferred tax assets on loss carryforwards continued to be capitalized in the 2025 financial year due to the good earnings situation and the positive earnings prospects of some companies. At a company in Mexico, deferred tax assets on loss carryforwards were capitalized as a result of impairment of intra-Group receivables due to the closure of a US company. A positive effect of EUR 16.3 million arose in the reconciliation due to the closure of the company, as no income taxes were incurred on the deconsolidation effect at Group level.

Deferred tax assets break down as follows for each balance sheet item as of the relevant reporting date:

EUR k	2025	2024
Property, plant, and equipment (excluding right-of-use assets)	-18,750	-17,476
Right-of-use assets	-6,293	-8,835
Intangible assets	-16,963	-19,772
Other assets	-7,324	-5,951
Trade accounts receivable, current	-27	-68
Contract assets	-16,537	-16,698
Other current financial assets	-1,220	-1,851
Non-current financial liabilities	-3,029	-97
Other	-4,572	-8,711
Deferred tax liabilities (non-netted)	-74,715	-79,459
Offsetting effect in accordance with IAS 12.74	38,116	41,902
Net deferred tax assets	-36,599	-37,557
Retirement benefits and similar obligations	9,852	14,254
Provisions	3,254	3,363
Tax loss carryforwards	19,588	20,100
Contract assets	613	6
Property, plant, and equipment	2,488	5,816
Intangible assets	5,687	2,672
Other current liabilities	1,903	4,891
Current trade accounts receivable	12,937	8,263
Other financial liabilities	4,707	6,620
Other current financial liabilities	1,816	2,578
Inventories	15,176	11,781
Non-current financial liabilities	538	3,001
Other	12,661	10,732
Deferred tax assets (non-netted)	91,220	94,077
Offsetting effect in accordance with IAS 12.74	-38,116	-41,902
Net deferred tax assets	53,104	52,175
Net deferred tax liabilities (-) / assets	16,505	14,618

On balance, the deferred tax assets reported and netted in the consolidated statement of financial position exceed the deferred tax liabilities reported and netted in the consolidated statement of financial position by EUR 16,505 thousand (previous year: EUR 14,618 thousand).

The change in the deferred taxes is described below:

EUR k

	2025	2024
As of January 1	14,618	24,256
Deferred tax liabilities (-) / deferred tax assets through profit and loss	11,227	-7,111
Deferred tax liabilities (-) / deferred tax assets through statement of comprehensive income	-6,236	-293
Effect of deconsolidation	0	-2,818
Currency translation effects	-3,104	584
As of December 31	16,505	14,618

The statutory corporate income tax rate in Germany for the 2025 and 2024 assessment periods was 15% plus a solidarity surcharge of 5.5% on the corporate income tax rate. Together with municipal trade tax, which is not deductible as a business expense in Germany, this results in a tax rate of approximately 28.9% in 2025 (previous year: 28.9%).

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the asset is realized or the liability settled. Deferred tax assets and liabilities of companies in Germany were calculated using a total tax rate of 28.9% (previous year: 28.9%) up to the 2024 financial year. With the passing of the Act for an Immediate Tax Investment Program to Strengthen Germany as a Business Location by the German Bundestag on June 26, 2025, and subsequent approval by the Bundesrat on July 11, 2025, a gradual reduction in the corporate tax rate from the current 15% was decided upon, starting in the 2028 assessment period, by one percentage point per year until reaching 10% in 2032. The tax rate applicable in the year in which the respective temporary difference reverses was used to measure deferred tax assets and liabilities. For immaterial temporary differences or temporary differences that reverse before the 2028

assessment period, the previous tax rate of 28.9% was applied. The application of the lower tax rates applicable from the 2028 assessment period resulted in deferred tax income of EUR 0.7 million for the German group of companies in the financial year, which is explained by a decrease in deferred tax liabilities as a result of the lower tax rates. As in the previous year, the local income tax rates applied to foreign companies varied between 10% and 34%. Deferred tax assets are recognized only if the management deems their recoverability to be probable. Relevant impairments are based on all known positive and negative factors relating to future taxable income. The estimates made may change over time. Assessment of the value of deferred tax assets is based on the probability of measurement differences being reversed and the recoverability of loss carryforwards that led to their creation.

The Group assumes that it will have sufficient taxable income to make use of existing loss carryforwards for which deferred tax assets have been recognized. The tax loss carryforwards in individual countries may be carried forward for periods of up to 5 years or even indefinitely, and may in some cases be carried back. The companies that incurred losses in the current year or the previous year and whose deferred tax assets are not covered by deferred tax liabilities have recognized deferred tax assets that exceed deferred tax liabilities amounting to EUR 15.6 million (previous year: EUR 18.0 million). The recoverability of deferred tax assets was reviewed at the respective companies on the basis of tax planning calculations. Based on the efficiency gains documented in the plans and rising profits from profitable new business, it was possible to demonstrate that sufficient taxable income will be available in the future to utilize the deferred tax assets.

GRAMMER AG is not the ultimate parent entity in the context of OECD Pillar 2 minimum tax. Furthermore, there will be no passing on of any potential top-up taxes to GRAMMER AG by the ultimate parent entity.

Deferred taxes were not recorded on outside basis differences (i.e., differences between net assets including goodwill at subsidiaries or the relevant tax value of interests in subsidiaries), as reversal of differences, e.g., through distributions, is taxable and because no significant tax effects are expected in the foreseeable future. The outside basis differences amount to EUR 15.2 million as of December 31, 2025 (previous year: EUR 15.4 million). The distribution of dividends to shareholders did not have any consequences for income tax in 2025 or 2024.

11. Consolidated earnings per share

Basic earnings per share are calculated by dividing the net profit/loss attributable to the shareholders of the parent company from the consolidated income statement by the nominal number of shares outstanding during the financial year, less the company's own shares that were bought back in 2006 (330,050 shares). The company's share capital amounts to EUR 39,009,080.32 and is divided into 15,237,922 shares. All shares with the exception of own shares accord the same rights; shareholders are entitled to receive the approved dividends and have one vote per share at the Annual General Meeting. The number of outstanding shares is calculated based on the weighted average.

In addition to basic earnings per share, diluted earnings per share must be disclosed if a company has potential shares (i.e., financial instruments and other contracts entitling the holders to subscribe to common stock of the company, such as convertible bonds and options). As the GRAMMER Group did not issue any such financial instruments or enter into any such contracts as of December 31, 2025, its basic and diluted earnings per share are identical.

Consolidated earnings per share

	2025	2024
Weighted average number of ordinary shares used to calculate basic/diluted earnings	14,907,872	14,907,872
Earnings from continuing operations in EUR thousand (excluding non-controlling interests / hybrid loan lenders)	20,806	-49,665
Basic/diluted earnings per share from continuing operations in EUR	1.40	-3.33
Earnings from discontinued operations in EUR thousand (excluding non-controlling interests / hybrid loan lenders)	0	-44,728
Basic/diluted earnings per share from discontinued operations in EUR	0.00	-3.00
Earnings in EUR thousand (excluding non-controlling interests / hybrid loan lenders)	20,806	-94,393
Basic/diluted earnings per share in EUR	1.40	-6.33

The hybrid loans issued in 2020, 2023, and 2024 are classified as equity (see Note 20). The related compensation claim of the hybrid loan lenders represents payments for a component of equity that reduces the earnings available for distribution to the shareholders of the parent company and therefore has been included in the determination of (basic/diluted) earnings per share.

12. Dividends paid and proposed

The appropriation of profits at the GRAMMER Group is based on net profit/loss in the financial statements of GRAMMER AG, which are prepared in accordance with the German Commercial Code. GRAMMER AG reported a net loss of EUR -244.1 million in its annual financial statements as of December 31, 2025 (previous year: EUR -261.3 million). This figure included net income for the 2025 financial year of EUR 17.2 million. As GRAMMER AG did not report a net profit, no dividend will be proposed. In addition, as a condition of the syndicated loan agreement entered into in the 2024 financial year, it was agreed that dividends would be suspended for the term of the agreement. Details on the syndicated loan are provided in Note 22, Financial liabilities. The net loss as of December 31, 2025, will be carried forward. No dividends were distributed in 2025 or 2024.

Further details can be found in Note 20.

Dividends approved and distributed during the financial year:

Dividends on common stock

	2025	2024
EUR k		
Final dividend for 2025: EUR 0.00 (2024: EUR 0.00)	0	0

13. Property, plant, and equipment and intangible assets

EUR k

Amount on
December 31, 2025

	Amount on January 1, 2025	Historical costs						Amount on December 31, 2025
		Additions	Disposals	Effects from exchange rate differences	Acquisitions through business combinations	Disposals from the scope of consolidation	Reclassifications	
Land and buildings	190,939	1,115	-587	-430	0	0	422	191,459
Technical equipment and machinery	381,422	19,671	-12,956	-13,303	0	0	9,651	384,485
Operating and office equipment	280,318	16,661	-14,087	-7,199	0	0	5,253	280,946
Prepayments made and assets under construction	36,706	24,783	4	-842	0	0	-15,763	44,888
Right-of-use assets	118,975	26,499	-14,925	-3,463	0	0	0	127,086
Property, plant, and equipment	1,008,360	88,729	-42,551	-25,237	0	0	-437	1,028,864
Concessions, industrial rights	70,472	1,538	-1,275	256	0	0	4,346	75,337
Goodwill	118,127	1	0	515	0	0	0	118,643
Capitalized development costs	65,234	3,771	0	-142	0	0	-3,909	64,954
Prepayments made	0	0	0	0	0	0	0	0
Intangible assets	253,833	5,310	-1,275	629	0	0	437	258,934
Property, plant, and equipment and intangible assets	1,262,193	94,039	-43,826	-24,608	0	0	0	1,287,798

EUR k

Amount on
December 31, 2025

Depreciation, amortization, and impairment

Carrying amount

	Amount on January 1, 2025	Additions	Disposals	Write-ups	Effects from exchange rate differences	Disposals from the scope of consolidation	Reclassifica- tions	Amount on December 31, 2025	Amount on January 1, 2025	Amount on December 31, 2025
Land and buildings	74,616	5,979	-377	-950	-154	0	12	79,126	116,323	112,333
Technical equipment and machinery	201,608	29,227	-11,425	0	-6,962	0	105	212,553	179,814	171,932
Operating and office equipment	195,729	21,840	-12,565	0	-4,452	0	-117	200,435	84,589	80,511
Prepayments made and assets under construction	0	0	0	0	0	0	0	0	36,706	44,888
Right-of-use assets	54,126	19,097	-12,124	0	-1,987	0	0	59,112	64,849	67,974
Property, plant, and equipment	526,079	76,143	-36,491	-950	-13,555	0	0	551,226	482,281	477,638
Concessions, industrial rights	57,122	2,482	-1,052	0	111	0	0	58,663	13,350	16,674
Goodwill	10,631	0	0	0	0	0	0	10,631	107,496	108,012
Capitalized development costs	28,526	1,451	0	0	-142	0	0	29,835	36,708	35,119
Prepayments made	0	0	0	0	0	0	0	0	0	0
Intangible assets	96,279	3,933	-1,052	0	-31	0	0	99,129	157,554	159,805
Property, plant, and equipment and intangible assets	622,358	80,076	-37,543	-950	-13,586	0	0	650,355	639,835	637,443

EUR k

Amount on
December 31, 2024¹

	Amount on January 1, 2024	Additions	Disposals	Historical costs			Reclassifications	Amount on December 31, 2024 ¹
				Effects from exchange rate differences	Acquisitions through business combinations ¹	Disposals from the scope of consolidation		
Land and buildings	196,270	2,337	-1,086	-380	306	-7,285	777	190,939
Technical equipment and machinery	410,869	26,993	-9,148	4,267	10,714 ¹	-77,375	15,102	381,422 ¹
Operating and office equipment	265,286	13,751	-10,130	1,545	2,455	-658	8,069	280,318
Prepayments made and assets under construction	41,902	20,825	-424	462	775	-1,136	-25,698	36,706
Right-of-use assets	129,476	26,317	-11,653	585	8,435	-34,185	0	118,975
Property, plant, and equipment	1,043,803	90,223	-32,441	6,479	22,685¹	-120,639	-1,750	1,008,360¹
Concessions, industrial rights	148,565	993	-1,433	-981	6,366	-84,788	1,750	70,472
Goodwill	123,799	0	0	-778	15,151 ¹	-20,045	0	118,127 ¹
Capitalized development costs	57,936	7,352	-115	61	0	0	0	65,234
Prepayments made	0	0	0	0	0	0	0	0
Intangible assets	330,300	8,345	-1,548	-1,698	21,517¹	-104,833	1,750	253,833¹
Property, plant, and equipment and intangible assets	1,374,103	98,568	-33,989	4,781	44,202¹	-225,472	0	1,262,193¹

¹ In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. See Note 6 for more information.

EUR k

Amount on
December 31, 2024¹

	Amount on January 1, 2024	Depreciation, amortization, and impairment					Carrying amount			
		Additions	Disposals	Write-ups	Effects from exchange rate differences	Disposals from the scope of consolidation	Reclassifica- tions	Amount on December 31, 2024	Amount on January 1, 2024	Amount on December 31, 2024 ¹
Land and buildings	70,887	6,204	-332	0	-244	-1,891	-8	74,616	125,383	116,323
Technical equipment and machinery	246,042	29,367	-8,315	0	1,692	-67,178	0	201,608	164,827	179,814¹
Operating and office equipment	184,650	20,275	-9,466	0	783	-521	8	195,729	80,636	84,589
Prepayments made and assets under construction	0	0	0	0	0	0	0	0	41,902	36,706
Right-of-use assets	63,671	19,615	-11,098	0	581	-18,643	0	54,126	65,805	64,849
Property, plant, and equipment	565,250	75,461	-29,211	0	2,812	-88,233	0	526,079	478,553	482,281¹
Concessions, industrial rights	123,762	6,348	-1,207	0	-918	-70,863	0	57,122	24,803	13,350
Goodwill	31,454	0	0	0	-778	-20,045	0	10,631	92,345	107,496¹
Capitalized development costs	27,303	1,277	-115	0	61	0	0	28,526	30,633	36,708
Prepayments made	0	0	0	0	0	0	0	0	0	0
Intangible assets	182,519	7,625	-1,322	0	-1,635	-90,908	0	96,279	147,781	157,554¹
Property, plant, and equipment and intangible assets	747,769	83,086	-30,533	0	1,177	-179,141	0	622,358	626,334	639,835¹

¹ In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. See Note 6 for more information.

13.1. Property, plant, and equipment and intangible assets

Scheduled depreciation is generally based on the following useful economic lives:

Land	No depreciation
Buildings and fixtures	10-40 years
Building fittings	5-40 years
Technical equipment and machinery	5-25 years
Other equipment, operating and business equipment	2-15 years
Right-of-use assets (leased assets)	2-25 years
Concessions, industrial rights	3-12 years
Capitalized development costs	7-10 years

As before, property, plant, and equipment are depreciated and intangible assets are amortized using the straight-line method over the expected useful life of the assets. Intangible assets comprise concessions and industrial property rights. Capitalized development costs relate to patents created in house. These are amortized on a straight-line basis over their expected useful life of seven to ten years. In the 2025 financial year, total research and development expenses amounted to EUR 63,761 thousand (previous year: EUR 80,109 thousand). Of this amount, EUR 3,771 thousand (previous year: EUR 7,352 thousand) met the capitalization criteria under IAS 38. The majority of this amount was recognized as an expense.

An impairment test of property, plant, and equipment and other intangible assets was carried out in the AMERICAS region in the 2025 reporting year as a precautionary measure. For this purpose, the region was subdivided into two cash-generating units (CGUs) based on product categories and strategic units: (i) GRAMMER Automotive Puebla S.A. de C.V., GRAMMER Inc. and (ii) GRAMMER Americas, LLC, GRAMMER do Brasil Ltd., and GRAMMER Argentina.

The CGUs were evaluated as to whether or not they met the following criteria:

- Cash inflows are largely independent of the cash inflows from other assets or groups of assets (IAS 36.6; IAS 36.68) and are received from parties external to the entity (IAS 36.69).
- An active market exists for the output produced by the group of assets on which they could be sold to generate cash flows, even if some or all of this output is used internally (IAS 36.70).

All defined CGUs within the AMERICAS region meet these criteria.

The CGUs in the AMERICAS region were evaluated for potential indications of impairment (triggering event) using the IAS 36 catalog. CGUs (i) and (ii) were tested based on their operating performance, which shows negative profitability and a significant deterioration compared with the 2025 budget. The two impairment tests confirmed the recoverability of the assets.

No indications of impairment were found in the EMEA and APAC regions.

13.2. Leases

GRAMMER has entered into various leases for buildings, technical equipment and machinery, operating and business equipment, and motor vehicles, with terms ranging from 2 to 25 years. Most of the leases do not provide for any options for extending them or for purchasing the leased asset, with the exception of buildings or limited items of equipment. In the case of buildings, these are largely standard renewal options, which provide either for a renewal option that may be unilaterally exercised by GRAMMER or for renegotiation for continued use after the lease has expired. Expenses of EUR 1,160 thousand (previous year: EUR 809 thousand) for short-term leases and EUR 422 thousand (previous year: EUR 470 thousand) for low-value leases were recognized through profit and loss in the 2025 financial year.

The right-of-use assets shown in Note 13 under which GRAMMER has a right to use the corresponding assets in accordance with IFRS 16 break down as follows:

EUR k

Amount on December 31, 2025	Historical cost							Amount on December 31, 2025
	Amount on January 1, 2025	Additions	Disposals	Effects from exchange rate differences	Acquisitions through business combinations	Disposals from the scope of consolidation	Reclassifications	
Land and buildings	104,160	23,195	-9,920	-3,318	0	0	0	114,117
Technical equipment and machinery	774	205	-503	9	0	0	0	485
Operating and business equipment	3,892	561	-413	5	0	0	0	4,045
Motor vehicles	10,149	2,538	-4,089	-159	0	0	0	8,439
Right-of-use assets	118,975	26,499	-14,925	-3,463	0	0	0	127,086

EUR k

Amount on December 31, 2025	Depreciation and amortization					Carrying amount			
	Amount on January 1, 2025	Additions	Disposals	Effects from exchange rate differences	Disposals from the scope of consolidation	Reclassifications	Amount December 31, 2025	January 1, 2025	December 31, 2025
Land and buildings	46,563	15,569	-8,458	-1,878	0	0	51,796	57,597	62,321
Technical equipment and machinery	377	229	-402	0	0	0	204	397	281
Operating and business equipment	2,170	783	-413	1	0	0	2,541	1,722	1,504
Motor vehicles	5,016	2,516	-2,851	-110	0	0	4,571	5,133	3,868
Right-of-use assets	54,126	19,097	-12,124	-1,987	0	0	59,112	64,848	67,974

EUR k

Amount on December 31, 2024	Historical cost							Amount on December 31, 2024
	Amount on January 1, 2024	Additions	Disposals	Effects from exchange rate differences	Acquisitions through business combinations	Disposals from the scope of consolidation	Reclassifications	
Land and buildings	111,631	22,859	-6,964	692	8,133	-32,191	0	104,160
Technical equipment and machinery	2,402	102	-799	-43	169	-1,057	0	774
Operating and business equipment	5,159	200	-712	-16	0	-739	0	3,892
Motor vehicles	10,284	3,156	-3,178	-48	133	-198	0	10,149
Right-of-use assets	129,476	26,317	-11,653	585	8,435	-34,185	0	118,975

EUR k

Amount on December 31, 2024	Depreciation and amortization						Carrying amount		
	Amount on January 1, 2024	Additions	Disposals	Effects from exchange rate differences	Disposals from the scope of consolidation	Reclassifications	Amount December 31, 2024	January 1, 2024	December 31, 2024
Land and buildings	53,654	15,842	-6,897	655	-16,691	0	46,563	57,977	57,597
Technical equipment and machinery	1,886	340	-779	-27	-1,043	0	377	516	397
Operating and business equipment	2,684	882	-670	-15	-711	0	2,170	2,475	1,722
Motor vehicles	5,447	2,551	-2,752	-32	-198	0	5,016	4,837	5,133
Right-of-use assets	63,671	19,615	-11,098	581	-18,643	0	54,126	65,805	64,849

The following lease payments (including guaranteed residual values) are payable in subsequent periods under the right-of-use assets recognized:

EUR k

	Less than 1 year	1 to 5 years	More than 5 years
2025			
Lease payments	19,492	42,273	19,596
Less interest expense from discounting	-2,763	-5,636	-1,960
Present value (statement of financial position)	16,729	36,637	17,636
2024			
Lease payments	20,246	39,135	16,694
Less interest expense from discounting	-1,893	-4,424	-1,664
Present value (statement of financial position)	18,353	34,711	15,030

Possible future cash outflows of EUR 21,800 thousand (previous year: EUR 22,718 thousand) for options to extend leases, the exercise of which is not yet reasonably certain, are not included in lease liabilities. There were future possible cash outflows from leases that had not yet commenced of EUR 527 thousand in the 2025 financial year (previous year: EUR 20 thousand).

13.3. Goodwill

The EMEA, AMERICAS and APAC regions represent the reportable operating segments as well as groups of cash-generating units (CGUs) of the GRAMMER Group and reflect the internal management structure of the GRAMMER Group. Goodwill recognized in the consolidated financial statements and acquired in the past has so far been allocated to these groups of CGUs for the purposes of impairment testing in accordance with IAS 36.

Goodwill attributable to the operating segments could be broken down as follows as of December 31, 2025:

EUR k

Operating Segments	Goodwill in 2025	Goodwill in 2024 ²	2025 growth rate ¹	2024 growth rate ¹	Discount factor in 2025	Discount factor in 2024
EMEA	53,093	52,576 ²	1%	1%	7.0%	7.5%
APAC	54,920	54,920	1%	1%	7.2%	7.8%
Goodwill	108,013	107,496²				

¹ Perpetual annuity

² In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. See Note 6 for more information.

Goodwill is generally tested for impairment at the level of the groups of CGUs that are expected to benefit from the synergies of the business combination annually as of December 31. Impairment tests are additionally carried out at the level of the groups of CGUs on an ad hoc basis. The recoverable amount from the CGUs is determined on the basis of the present value of estimated future cash flows less costs to sell based on budgets and medium-term plans approved by management for a period of five years. These budgets are based particularly on assumptions regarding macro-economic trends and trends in selling and commodity prices. These are subject to additional uncertainty due to the consequences of geopolitical tensions in the Middle East and Taiwan, the Russia-Ukraine war, and US foreign trade policy. The continuing low growth in the automotive sector and tariff increases by the US relate to this. In addition to these market forecasts, historical data is also taken into account. The high prices for raw materials and energy are expected to persist and to be passed on to customers. Reduced purchasing costs, ongoing improvement measures and productivity increases will offset the agreed discounts for series production contracts, nomination fees, and higher personnel costs in connection with collective wage increases in the 2026 planning year. This is extrapolated to the following years while taking account of expected developments. Climate-related aspects have been factored into raw material and energy prices as well as capital expenditure. To arrive at the perpetual annuity extending beyond the five-year time horizon, the cash flow was extrapolated in the light of the expected sustainable growth rate of 1% (previous year: 1%). The fair value calculated for the CGUs is assigned to Level 3 of the fair value hierarchy. The Group uses the same calculation methods and parameters for all three segments when testing for impairment.

The key assumptions used in determining the value in use of a CGU are the revenue performance, the EBIT margins, the free cash flows, the discount rate and its parameters, and the sustainable growth rate. The free cash flows are calculated on the basis of the budget of the five-year plan

adjusted for efficiency improvements that are expected or have already been initiated. The discount factor is calculated on the basis of a cost-of-equity rate and a cost-of-debt rate. The cost-of-equity rate applied is based on a risk-free interest rate of 3.25% after tax (previous year: 2.5%), a risk premium for general market risk of 5.5% after taxes (previous year: 6.5%), and a premium for the specific country risk of a CGU. To determine operating and leverage risks, beta factors are derived from a group of comparable companies (peer group) and used to measure the positive cash flows of the specific CGU. The cost-of-debt rate is determined by reference to the peer group relevant to GRAMMER. Cash flows were discounted at an after-tax interest rate of 7.0% to 7.2% (previous year: 7.5% to 7.8%). The growth rate was 1% (previous year: 1%).

The impairment tests carried out in 2025 confirmed the recoverability of the goodwill of the groups of CGUs in the EMEA and APAC regions.

A scenario analysis of the recoverable amount of the CGUs in the EMEA and APAC regions was carried out to determine the risk exposure of the cash flows. The scenario analysis was based on a variation in the discount factor between 5.0% and 12.1% (previous year: 5.0% and 12.0%).

The CGU EMEA shows that an impairment loss arises when a discount rate of 12.1% is applied in isolation (previous year: 10.6%). Alternatively, an impairment loss would be recognized in the event of a 3.2 percentage-point reduction in the sustainable EBIT margins (previous year: 2.3 percentage points) and a 54% reduction in long-term revenue (previous year: 38%).

The analysis shows that no impairments arise in the CGUs of the APAC region below the above discount factor range or alternatively the sustainable EBIT margin or the sustainable revenue.

14. Inventories

Inventories break down as follows:

EUR k	December 31, 2025	December 31, 2024 ¹
Raw materials, supplies and consumables	113,177	121,383 ¹
Work in progress	23,617	22,206
Finished goods	25,551	26,870
Prepayments made	2,289	1,948
Inventories	164,634	172,407¹

¹ In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. See Note 6 for more information.

Inventories are initially recognized at cost and subsequently measured at the lower of cost and net realizable value. The impairments of inventories at the lower fair value amounted to EUR 7,193 thousand (previous year: EUR 6,580 thousand). In the 2025 financial year, impairments of EUR 2,894 thousand (previous year: EUR 4,159 thousand) and reversals of impairment losses of EUR 1,382 thousand (previous year: EUR 516 thousand) were recognized.

15. Trade accounts receivable

Trade accounts receivable are generally non-interest-bearing and have a term of between 30 and 60 days.

EUR k	December 31, 2025	December 31, 2024 ¹
Trade accounts receivable – gross	232,902	266,736 ¹
Impairment	-10,217	-8,822
Provisions for verity risks	-246	-480
Trade accounts receivable	222,439	257,434¹

¹ In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. See Note 6 for more information.

As of the reporting date, trade accounts receivable were reduced by non-recourse factoring in the amount of EUR 72,167 thousand (previous year: EUR 71,685 thousand). The risks arising from the factored receivables relevant to risk assessment are credit risk and the risk of delayed payment. With regard to a contract with a bank, the Group continues to recognize trade accounts receivable in the amount of its continuing exposure, i.e., the amount of the maximum default reserve plus the maximum possible interest expense for overdue receivables, and thus recognizes a corresponding liability. As of December 31, 2025, impairments of EUR 10,217 thousand (previous year: EUR 8,822 thousand) were recognized on trade accounts receivable. There was also a provision for validity risks based on an individual valuation discount.

The development of impairments was as follows:

EUR k	Impairment	Provisions for verity risks	Total
Amount on January 1, 2025	8,822	480	9,302
Additions	2,927	0	2,927
Utilization	-235	0	-235
Write-backs	-1	-234	-235
Disposals from the scope of consolidation	-511	0	-511
Effects from exchange rate differences	-785	0	-785
Amount on December 31, 2025	10,217	246	10,463
Amount on January 1, 2024	2,908	452	3,359
Additions	6,535	234	6,769
Utilization	-480	-138	-618
Write-backs	-257	0	-257
Disposals from the scope of consolidation	0	-68	-68
Effects from exchange rate differences	116	0	116
Amount on December 31, 2024	8,822	480	9,302

The table below shows the default risk position for trade accounts receivable and contract assets determined using an impairment matrix:

EUR k

	Total	Not overdue	Past due in the following time bands				
			Up to 30 days	31–60 days	61–90 days	91–180 days	More than 180 days
2025							
Trade accounts receivable – gross	232,902	205,934	7,996	1,250	4,567	1,744	11,411
Contract assets – gross	121,109	121,109	0	0	0	0	0
Impairment	10,217	547	120	40	184	122	9,204
2024							
Trade accounts receivable – gross	266,781	241,159	9,619	4,401	1,477	672	9,453
Contract assets – gross	136,046	136,046	0	0	0	0	0
Impairment	8,822	729	76	96	46	29	7,846

16. Balances of contract assets and contract liabilities

Contract assets as defined in IFRS 15 break down as follows:

EUR k	December 31, 2025	December 31, 2024
Non-current contract assets	64,953	72,524
Current contract assets	56,158	63,522
Contract assets	121,111	136,046

As of December 31, 2025, performance obligations for series development amounting to EUR 204,942 thousand (previous year: EUR 170,230 thousand) had not yet been fulfilled in part or in full as scheduled. Approximately 40% of these performance obligations are expected to be recognized as revenue within one year.

Contract liabilities break down as follows:

EUR k	December 31, 2025	December 31, 2024
Non-current contract liabilities	3,456	4,103
Current contract liabilities	4,849	2,445
Contract liabilities	8,305	6,548

Contract liabilities arise from customer prepayments for series development activities.

17. Other financial assets

Other financial assets break down as follows:

EUR k	December 31, 2025	December 31, 2024
Outstanding loans	0	1,963
Investments in associates	38	45
Other receivables	58,213	61,979
Financial assets at fair value through other comprehensive income	40,487	29,023
Derivative financial assets	0	58
Non-current other financial assets	98,738	93,068
Other receivables	1,722	4,298
Derivative financial assets	6,370	765
Current other financial assets	8,092	5,063

Financial assets measured at fair value through other comprehensive income include two investments in China established in 2023. A third investment founded in Germany was added in the 2025 financial year. GRAMMER has neither control nor significant influence over any of the three investments. The carrying amount initially corresponded to the acquisition costs. In the 2025 financial year, the change in fair value was recognized in accumulated other comprehensive income. The fair value was measured at level 3 by applying the discounted cash flow method on the basis of the planned values of the units to be measured. The discounted cash flow method is particularly suitable because it determines intrinsic value based on long-term earning power and specific risks (cost of capital) without relying on stock market comparisons. Changes occurring between reporting periods can be attributed to updated planned values on the one hand and updated capital costs on the other. All the above-mentioned investments were valued at an average cost of capital of 7.6% (previous year: 8.7%). If the cost of capital were to increase by 1% to 8.6% (previous year: 9.7%), this would result in an effect on accumulated other comprehensive income of EUR -7.9 million (previous year: EUR -5.7 million); a 1% reduction in the cost of capital to 6.6% (previous year: 7.7%) would result in an effect of EUR 14.1 million (previous year: EUR +7.4 million) on accumulated other comprehensive income.

Other long-term financial receivables also include two loans to Ningbo Jifeng Auto Parts Co. totaling EUR 57,133 thousand (previous year: EUR 61,979 thousand).

Other current financial receivables result primarily from current receivables from associates, creditors with debit accounts, and amounts due from employees. These have terms of approximately 30 days. Other current financial assets also include derivative financial assets, which are currency hedges primarily involving the Mexican peso. Financial assets are neither past due nor impaired.

18. Other assets

Other assets break down as follows:

	December 31, 2025	December 31, 2024 ¹
EUR k		
Non-current other assets	72,362	67,913
Deferrals	0	0
Non-current other assets	72,362	67,913
Current other assets	67,726	45,030 ¹
Deferrals	4,317	5,067
Current other assets	72,043	50,097¹

¹ In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted on the basis on the final closing balance sheet. See Note 6 for more information.

Other non-current assets include security deposit agreements that are classified as non-current depending on the term of the underlying contract. Assets also include consideration paid to customers totaling EUR 40,581 thousand (previous year: EUR 42,336 thousand). This asset is recognized on a straight-line basis over the duration of series production as a reduction in revenue. Impairment is recognized if necessary. The majority of these assets are classified as other non-current assets. In the 2025 financial year, EUR 6,917 thousand (previous year: EUR 6,986 thousand) of these assets were recognized as a reduction in revenue. Other tax receivables include a refund claim of EUR 1,731 thousand (previous year: EUR 2,580 thousand) from PIS and COFINS (Programa de Integração Social / Contribuição para o Financiamento da Seguridade Social), two VAT-like taxes in Brazil.

GRAMMER has recognized assets in connection with the costs of fulfilling series deliveries in other current and non-current assets amounting to EUR 6,483 thousand (previous year: EUR 2,042 thousand) and EUR 27,987 thousand (previous year: EUR 17,327 thousand) respectively. No other impairments were recognized (previous year: EUR 0 thousand).

Other current assets primarily include receivables from current taxes such as value-added tax and other taxes amounting to EUR 28,427 thousand (previous year: EUR 22,262 thousand) and temporary deposit agreements amounting to EUR 56 thousand (previous year: EUR 752 thousand). Other tax receivables include a refund claim of EUR 2,190 thousand (previous year: EUR 2,841 thousand) relating to PIS and COFINS (Programa de Integração Social / Contribuição para o Financiamento da Seguridade Social), two VAT-like taxes in Brazil.

There are no significant restrictions on ownership or disposal of the other assets reported. There were no impairments.

19. Cash and short-term deposits

Cash and short-term deposits break down as follows as of the reporting date:

	December 31, 2025	December 31, 2024
EUR k		
Cash and short-term deposits	152,745	219,846

The Group has balances at different banks in various currencies that are translated at the end-of-year exchange rate as of the reporting date. The bank balances have variable interest rates and can be withdrawn on demand. Short-term deposits are made for various terms of between one day and three months depending on the Group's current liquidity requirements. These accrue interest at the current interest rates for short-term deposits.

For the purposes of the consolidated cash flow statement, holdings of cash and cash equivalents as of December 31 are as follows:

	December 31, 2025	December 31, 2024 ¹
EUR k		
Cash and short-term deposits	152,745	219,846
Bank overdrafts	-3,777	-3,359 ¹
Cash and cash equivalents	148,968	216,487¹

¹ The comparative figures have been adjusted with to the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Note 3.

20. Equity

Subscribed capital

The subscribed capital of GRAMMER AG as of December 31, 2025, amounted to EUR 39,009 thousand (previous year: EUR 39,009 thousand) and was divided into 15,237,922 (previous year: 15,237,922) no-par-value shares. All shares accord the same rights. Shareholders are entitled to receive the approved dividends (with the exception of the company's own shares) and have one vote per share at the Annual General Meeting.

Capital reserve

The capital reserve totaled EUR 162,947 thousand as of December 31, 2025 (previous year: EUR 162,947 thousand). It included premiums from the capital increases in 1996, 2001, 2011, 2017, and 2020, less transaction costs.

Own shares

As of December 31, 2025, GRAMMER AG held a total of 330,050 shares as own shares, all of which were acquired in 2006 for a total purchase price of EUR 7,441 thousand. The corresponding amount of share capital was EUR 844,928, corresponding to 2.166% (previous year: 2.166%) of share capital.

On August 16, 2006, the Executive Board of GRAMMER AG decided to make use of the authorization of the Annual General Meeting of June 28, 2006, to acquire own shares in accordance with Section 71 (1) no. 8 of the AktG. The authorization from the shareholders allowed the company to acquire up to 10% of its share capital, i.e., up to 1,049,515 own shares. The share repurchase was carried out for the purposes set out in the resolution adopted by the Annual General Meeting, which provides for both the acquisition of companies or participating interests, sale through the stock exchange or through an offer directed to all shareholders, and the recall of shares. This authorization was valid from August 16, 2006, to December 1, 2007. The repurchase of shares following this resolution by the Executive Board was carried out in accordance with the safe harbor provisions of Sections 14 (2) and 20a (3) of the German Securities Trading Act (WpHG) in conjunction with Commission Regulation (EC) No. 2273/2003 of December 22, 2003. The 330,050 shares were acquired on the stock exchange at the purchase price determined by the resolution of the Annual General Meeting. The Executive Board has not yet proposed how the shares will be utilized.

As of December 31, 2025, there were 15,237,922 (previous year: 15,237,922) ordinary shares outstanding.

Retained earnings

Retained earnings comprise the statutory reserve of GRAMMER AG, which totaled EUR 1,183 thousand on both December 31, 2025, and December 31, 2024. This is not available for the payment of dividends.

Retained earnings additionally include net income earned in the past by the companies included in the consolidated financial statements, provided that it has not been paid out as dividends. These increased from EUR 29,420 thousand to EUR 50,226 thousand due to the earnings after taxes of EUR 20,806 thousand attributable to the shareholders of the parent company.

Accumulated other comprehensive income

Accumulated other comprehensive income comprises mainly adjustments arising from the currency translation of the financial statements of foreign subsidiaries, the effects of cash flow hedges, and the related deferred taxes.

It also includes changes in connection with actuarial gains and losses in accordance with IAS 19 and the deferred taxes payable on these as well as cumulative foreign currency translation effects in connection with the loans classified as net investments in a foreign operation in accordance with IAS 21 and the actual taxes payable on these. The change arising from the measurement of financial assets at fair value is also included.

Hybrid loan

On March 30, 2020, a perpetual subordinated hybrid loan of EUR 19,148 thousand was granted by Ningbo Jifeng Auto Parts Co., Ltd., China, a company of the Ningbo Jifeng Group (the majority shareholder of GRAMMER AG), to GRAMMER Interior (Shanghai) Co., Ltd., China, one of GRAMMER AG's Chinese subsidiaries, to strengthen the equity base. The hybrid loan has an indefinite term and was paid out in full to this subsidiary.

The hybrid loan bears interest at 3% per annum and its term is not contractually limited. The hybrid loan is allocated to the subsidiary's equity in accordance with IAS 32. It is at the sole discretion of the subsidiary to decide whether and when the hybrid loan will be repaid. The lender, Ningbo Jifeng Auto Parts Co., Ltd., has no right to summarily terminate the loan agreement and unilaterally demand repayment of the loan. The timing of interest payments under the hybrid loan is determined solely at GRAMMER's discretion.

On October 31, 2023, a perpetual subordinated hybrid loan was granted by Ningbo Jifeng Auto Parts Co., Ltd., China, a company of the Ningbo Jifeng Group (the majority shareholder of GRAMMER AG), to GRAMMER (China) Holding Co., Ltd., China, one of GRAMMER AG's Chinese subsidiaries, to

further strengthen the equity base. The equivalent of EUR 19,071 thousand was paid out on November 16, 2023. The hybrid loan has an indefinite term and was paid out in full to this subsidiary.

The hybrid loan bears interest at 6.0% per annum and its term is not contractually limited. The hybrid loan is allocated to the subsidiary's equity in accordance with IAS 32. It is at the sole discretion of the borrower to decide whether and when the hybrid loan will be repaid. The lender, Ningbo Jifeng Auto Parts Co., Ltd., has no right to summarily terminate the loan agreement and unilaterally demand repayment of the loan. The timing of interest payments under the hybrid loan is determined solely at GRAMMER's discretion.

On December 16, 2024, two additional perpetual subordinated hybrid loans were granted by Ningbo Jifeng Auto Parts Co., Ltd., China, a company of the Ningbo Jifeng Group (the majority shareholder of GRAMMER AG), to two Chinese subsidiaries of GRAMMER AG, GRAMMER Vehicle Parts (Changzhou) Co., Ltd. and GRAMMER Vehicle Interiors (Hefei) Co., Ltd., to further strengthen the equity base. The equivalent of EUR 45,675 thousand was paid out on December 23, 2024. The two hybrid loans have indefinite terms and were paid out in full to these subsidiaries. Each bore interest at 3.6% per annum up to and including December 31, 2024, and their terms are not contractually limited. As of January 1, 2025, there was a contractual adjustment of the interest rate on all hybrid loans to 3.5% per annum. All hybrid loans are classified as equity of the subsidiaries in accordance with IAS 32. It is at the sole discretion of the respective borrower to decide whether and when the hybrid loan is repaid. The lender, Ningbo Jifeng Auto Parts Co., Ltd., has no right to summarily terminate the loan agreements and unilaterally demand repayment of the loans. The timing of interest payments under the hybrid loans is determined solely at GRAMMER's discretion.

As of April 29, 2025, the compensation claims from the hybrid loans of 2020, 2023, and 2024 comprising interest equivalent to EUR 2,069 thousand (previous year: EUR 1,028 thousand) accrued for the period from March 30, 2024, to March 29, 2025, were paid out to the hybrid loan lender, Ningbo Jifeng Auto Parts Co., Ltd., a company of the Ningbo Jifeng Group (the majority shareholder of GRAMMER AG). The hybrid loans recognized in equity as of December 31, 2025, amounting to EUR 85,894 thousand, consist of the 2020 hybrid loan of EUR 19,601 thousand and the interest of EUR 609 thousand accrued since March 30, 2025 (previous year: EUR 608 thousand), less distributions of EUR 551 thousand, as well as the 2023 hybrid loan amounting to EUR 19,977 thousand

and accrued interest of EUR 570 thousand since March 30, 2025 (previous year: EUR 1,203 thousand) less the disbursement of EUR 1,103 thousand and the two hybrid loans from 2024 amounting to the equivalent of EUR 45,717 thousand plus interest of EUR 1,489 thousand accrued since March 30, 2025 (previous year: EUR 42 thousand) less distributions of EUR 415 thousand.

Non-controlling interests

Non-controlling interests in the equity are attributed to shareholders in GRAMMER Koltuk Sistemleri Sanayi ve Ticaret A.S., Turkey, GRAMMER AD, Bulgaria, GRAMMER Seating (Shaanxi) Co., Ltd., China, GRAMMER Argentina S.A., Argentina, and GRAMMER Vehicle Parts (Harbin) Co., Ltd., China. The shareholders decided in April to increase the share capital of GRAMMER Vehicle Parts (Harbin) Co., Ltd. As it was decided to increase the capital in proportion to the existing shares, GRAMMER's 60% share of the capital was not affected. The equivalent of EUR 4,551 thousand was paid by the minority shareholder in January 2024. As the shares in GRAMMER Vehicle Parts (Qingdao) Co., Ltd., China, are held by GRAMMER Vehicle Parts (Harbin) Co., Ltd., its components of profit or loss are still attributable to non-controlling interests on a pro rata basis.

Authorizations

By resolution of the Annual General Meeting on June 23, 2021, the authorization of the Executive Board contained in Article 5 (3) of the Articles of Association of GRAMMER AG to increase the company's share capital, subject to the approval of the Supervisory Board, by a total of up to EUR 9,402,263.04 on one or more occasions on or before July 7, 2025, in return for contributions in cash or in kind (2020 authorized capital) was canceled. The resolution also authorized the Executive Board to increase the company's share capital by June 22, 2026, with the approval of the Supervisory Board, by issuing new bearer shares in exchange for cash and/or non-cash contributions, on one or more occasions, but by a maximum total of EUR 19,504,537.60 (2021 authorized capital). In principle, shareholders are to be granted subscription rights; statutory subscription rights may also be granted in such a way that the new shares are taken up by one or more banks or equivalent companies pursuant to Section 186 (5) sentence 1 of the AktG with the obligation to offer them to shareholders for subscription. The Executive Board was authorized to exclude shareholders' subscription rights under certain conditions, within defined limits, and with the approval of the Supervisory Board. The authorized capital remained unchanged at EUR 19,504,537.60 as of December 31, 2025.

21. Retirement benefits and other post-employment benefits

The GRAMMER Group has arranged defined-benefit plans that are in place in Germany. In addition, employer contributions to the statutory pension insurance scheme in Germany constitute a defined-contribution pension plan.

Provisions for pension obligations are recognized on the basis of benefit plans providing retirement, disability, and dependent survivor benefits. Benefits paid by the Group vary in accordance with the legal, tax, and economic factors in the relevant countries and generally depend on the length of employment and the remuneration paid to the employee.

In the case of the foreign subsidiaries, the provisions primarily contain other post-employment benefits.

The present value of the defined-benefit obligations and the related current and past service cost have been calculated in accordance with IAS 19 using the projected unit credit method. Under this method, the necessary expense for the accrued benefits is allocated to the period that is attributable to the unit of accrued benefits arising in the year in question in the light of vesting conditions.

When retirement benefit obligations are measured, assumptions regarding the relevant factors affecting the amount of the benefit are made. These assumptions are based on actuarial calculations performed by an actuary for the GRAMMER Group

The calculation of the defined-benefit obligation (DBO) for retirement benefit commitments is based primarily on the following actuarial assumptions:

DBO measurement parameters

	2025	2024
in %		
Interest rate	4.30	3.50
Salary trend	2.50	2.50
Income trend for individual commitments	2.50	2.50
Inflation rate / pension trend	2.00	2.00

Measurement parameters for other benefits

	2025	2024
in %		
Interest rate	4.30 – 27.00	3.70 – 27.00
Salary trend	2.50 – 5.80	2.50 – 5.80
Inflation rate	2.00 – 22.34	2.00 – 22.34

The measurement parameters also include liabilities from other countries that tend to have higher interest rates than Germany due to different structures. For example, the interest rate was 11.0% in Mexico (previous year: 10.2%) and 27.0% in Turkey (previous year: 27.0%), while the salary trend was 5.8% in Mexico (previous year: 5.8%) and the inflation rate was approximately 22.3% in Turkey (previous year: 22.3%).

As in the previous year, the actuarial interest rate of Aon Solutions Germany GmbH, Hamburg, was applied in the calculation for the 2025 financial year. This interest rate was derived from the vested obligations in the light of the specific structure of the payment flows. The calculation was based on the pension obligations of the GRAMMER companies, which form the basis of the pension provisions as of December 31, 2025.

The calculation of the interest rate was based on the yield structure curve of investment-grade EUR-denominated corporate bonds, the coupon yields of the "iBoxx € Corporates AA" index for various maturity classes, and the yield structure curve for (notional) zero-coupon bonds with no credit risk (source: Deutsche Bundesbank). The calculations were performed on the basis of the end-of-day prices as of December 31, 2025.

Mortality and disability were calculated on the basis of the 2018 G Heubeck biometric tables or comparable foreign mortality tables. The inflation rate / pension trend remained in line with the previous year at 2.0% (previous year: 2.0%). The probability of fluctuation was computed specifically for the Group.

In the 2025 financial year, pensions for pension commitments amounting to EUR 7,424 thousand (previous year: EUR 4,291 thousand) were paid out. A total of EUR 137 thousand was spent on other employee benefits (previous year: EUR 2,398 thousand).

The following amounts were recognized in the consolidated income statement:

EUR k	Pension plan	Other benefits
2025		
Service cost	1,988	221
Current service cost	2,115	221
Past service cost	-127	0
Net interest expense	4,475	297
Service cost and net interest expense	6,463	518

EUR k	Pension plan	Other benefits
2024		
Service cost	3,006	217
Current service cost	3,111	217
Past service cost	-105	0
Net interest expense	4,263	549
Service cost and net interest expense	7,269	766

The service cost item includes current and past service cost. Past service cost corresponds to the gains or losses from plan adjustments or curtailments that are recognized immediately upon arising.

As there are no plan assets for funding future pension obligations under defined-benefit plans, the net interest expense for the defined-benefit plans is identical to the interest expense.

Service cost is generally included in the personnel costs of the different segments; the interest expense for the pension commitments is recognized in the financial expenses.

The following amounts were recognized in the statement of comprehensive income and in other comprehensive income:

EUR k	Pension plan	Other benefits
2025		
Cumulative amount recognized in other comprehensive income as of January 1, 2025	33,172	3,027
Amount recognized in the year under review	-12,149	221
Cumulative amount recognized in other comprehensive income as of December 31, 2025	21,023	3,248

EUR k	Pension plan	Other benefits
2024		
Cumulative amount recognized in other comprehensive income as of January 1, 2024	38,767	2,247
Amount recognized in the year under review	-5,595	780
Cumulative amount recognized in other comprehensive income as of December 31, 2024	33,172	3,027

The changes in the present value of the defined-benefit obligations break down as follows:

EUR k

	Pension plan	Other benefits
Amount on January 1, 2025	127,267	1,752
– Changes in the scope of consolidation	0	0
+ Service cost	1,988	221
+ Interest expense	4,475	297
Changes in estimates: gains (-)/losses (+)	-11,994	221
Changes in demographic assumptions	5	0
Changes in financial assumptions	-9,969	221
Changes based on historical data	-2,030	0
– Actual payments	-7,424	-137
– Disposal of obligations	-120	-63
Exchange rate differences	-336	-405
Amount on December 31, 2025	113,856	1,886
Amount on January 1, 2024	129,743	2,828
– Changes in the scope of consolidation	-59	0
+ Service cost	3,006	217
+ Interest expense	4,263	549
Changes in estimates: gains (-)/losses (+)	-5,476	780
Changes in demographic assumptions	6	0
Changes in financial assumptions	-3,040	780
Changes based on historical data	-2,442	0
– Actual payments	-4,291	-2,398
– Disposal of obligations	0	20
Exchange rate differences	81	-244
Amount on December 31, 2024	127,267	1,752

In the past, retirement benefits for the members of the Executive Board took the form of a capital account plan, to which the company added an amount calculated annually for each member of the Executive Board.

A defined-benefit plan in various forms applies to employees at German sites and members who have already left the Executive Board. In this context, a Contractual Trust Agreement remains in place.

As of December 31, 2025, the assets held in the contractual trust agreement (trust account) amounted to EUR 10,465 thousand (previous year: EUR 11,518 thousand), which also included an amount of EUR 510 thousand (previous year: EUR 2,542 thousand) for former members of the Executive Board and the management. During the financial year, previous pension obligations to a former member of the Executive Board were settled in full. This capital benefit represents plan assets and is netted against the retirement benefit obligations reported in the statement of financial position. The assets of the Contractual Trust Agreement are invested in a capital preservation fund comprising global equities, fixed-income securities, and cash. The fund is exposed to the general risks of the equity and fixed-income markets.

Changes in the fair value of the plan assets are shown in the following table:

EUR k

	2025	2024
Fair value of plan assets as of January 1	11,518	9,646
Interest income on plan assets	320	310
Adjustments	156	117
Contributions to plan assets	614	1,445
Actual payments	-2,144	0
Fair value of plan assets on December 31	10,464	11,518

The material actuarial assumptions used to calculate the defined-benefit obligation are the discount rate, expected salary and pension increases, and mortality rates. The following sensitivity analyses have been performed in the light of the possible changes that may reasonably occur in the individual assumptions as of the reporting data, where all other assumptions remain constant.

Discount factor

EUR k

	2025	2025	2024	2024
	1% reduction	1% increase	1% reduction	1% increase
Effect on DBO	13,345	-10,940	16,581	-13,405
Effect on current service cost	111	-87	168	-131
Effect on net interest expense	-523	384	-675	487

Future salary increases

EUR k

	2025	2025	2024	2024
	0.5% reduction	0.5% increase	0.5% reduction	0.5% increase
Effect on DBO	-784	839	-1,111	1,172

Inflation rate

EUR k

	2025	2025	2024	2024
	0.5% reduction	0.5% increase	0.5% reduction	0.5% increase
Effect on DBO	-4,941	5,369	-5,958	6,503

Mortality rate

EUR k

	2025	2025	2024	2024
	10% reduction	10% increase	10% reduction	10% increase
Effect on DBO	2,926	-2,630	3,501	-3,132

As most of the defined-benefit obligations relate to the German companies, the sensitivity analysis is confined to these companies.

In the above sensitivity analyses, the present value of the defined-benefit obligation was calculated using the projected unit credit method as of the reporting date, i.e., the same method as that used to calculate the defined-benefit liability recorded in the consolidated statement of financial position. The present value of the guaranteed obligation increases as interest rates fall and is therefore subject to interest rate risk.

The pension system provides for lifelong pension payments. In this respect, the companies bear the longevity risk. This is taken into account by using the latest generation of the Heubeck 2018 G mortality tables to determine the retirement factors and the present value of the guaranteed obligation, which already take into account a future increase in life expectancy.

In order to reduce the risk of inflation by adjusting current pension payments in line with the inflation rate, a non-inflation-dependent pension adjustment was introduced for pension commitments where legally permissible.

It can be assumed that the above sensitivity analysis is not representative of the actual change that would occur in the defined-benefit obligation as it is unlikely for deviations from the assumptions applied to arise in isolation in view of the fact that some of the assumptions are linked to each other.

The following table sets out the expected future cash outflows for the existing pension plans:

Expected cash outflows

EUR k

	Expected cash outflows in 2025	Expected cash outflows in 2024
Short-term (< 1 year)	5,099	4,913
Medium-term (1 to 5 years)	20,532	20,264
Long-term (> 5 years)	78,353	90,943

22. Financial liabilities

Financial liabilities break down as follows:

EUR k	Current	Non-current	Total
2025			
Bank overdrafts	3,777	0	3,777
Loans	38,993	326,338	365,331
Bonded loans	588	49,005	49,593
Financial liabilities	43,358	375,343	418,701

EUR k	Current ¹	Non-current ¹	Total ¹
2024¹			
Bank overdrafts	3,359 ¹	0	3,359¹
Loans	59,733	360,439	420,172
Bonded loans	2,992	49,104	52,096
Financial liabilities	66,084¹	409,543	475,627¹

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Note 3.

GRAMMER's financing structure essentially consists of a syndicated loan from five banks in China amounting to EUR 150 million and a syndicated revolving working capital credit facility of EUR 80 million from five banks in Germany. The syndicated credit line provided by the German banks can be used either as an overdraft facility or as fixed-rate loans with interest periods of up to six months. Interest is paid at money market rates plus fixed credit margins. A small number of key GRAMMER companies are liable for the entire syndicated loan through guarantees.

In addition, GRAMMER received subordinated loans from its majority shareholder Ningbo Jifeng totaling approximately EUR 130 million in the previous year. The terms of the new financing structure range from one and a half to two years.

Details on the financial covenants can be found in Note 32, "Capital management." Qualitative disclosures on the assessment of the nature and extent of the risks associated with financial instruments to which GRAMMER is exposed as of the reporting date can be found in Section 3, "Risk and opportunity report," of the GRAMMER Group's management report.

In addition, long-term (subsidy) loans secured by real estate with fixed interest rate agreements and a carrying amount of EUR 18.5 million (previous year: EUR 24.4 million) have been taken out to finance the GRAMMER Campus.

Bank overdrafts

Bank overdrafts are funds borrowed by utilizing credit lines. Very short-term liabilities to banks arising from existing factoring agreements were reclassified to other liabilities retroactively to the 2024 financial year; see Note 3.

Loans

This item includes loans from GRAMMER with short and medium terms. Depending on the facility, the loans are structured to allow revolving utilization. Medium-term loans decreased to EUR 375.4 million in the current financial year (previous year: EUR 409.5 million) due to reclassifications to current liabilities and repayments. Short-term loans decreased due mainly to repayments.

Bonded loans

In addition to accrued interest and the discount, this item includes promissory note loans and private placements amounting to EUR 49.6 million (previous year: EUR 52.1 million). The amount of the bonded loans declined slightly due to pro rata repayments and currency effects. The promissory note loans have fixed interest rates with varying terms up to 2031. Deferred interest for the existing bonded loans is included in the current part.

Reconciliation of changes in financial liabilities for the 2025 financial year

EUR k

	December 31, 2024	Change recognized in the cash flow statement	Reclassification	Change due to currency translation effects	Other non-cash changes	Effects of chan- ges in the scope of consolidation and business combinations	December 31, 2025
Current financial liabilities	62,727	-58,693	35,347	1,101	-901	0	39,581
Current financial liabilities from leases	18,353	-20,760	17,836	-1,162	2,462	0	16,729
Non-current financial liabilities	409,543	0	-35,347	0	1,147	0	375,343
Long-term shareholder loans	129,577	0	0	0	0	0	129,577
Non-current financial liabilities from leases	49,741	0	-17,836	-1,235	23,602	0	54,272
Total	669,941	-79,453	0	-1,296	26,310	0	615,502

Reconciliation of changes in financial liabilities for the 2024 financial year

EUR k

	December 31, 2023	Change recognized in the cash flow statement	Reclassification	Change due to currency translation effects	Other non-cash changes	Effects of chan- ges in the scope of consolidation and business combinations	December 31, 2024
Current financial liabilities	207,074	-235,610	92,926	-383	-1,280	0	62,727
Current financial liabilities from leases	16,622	-22,296	17,798	343	6,362	-476	18,353
Non-current financial liabilities	167,025	336,954	-92,926	0	-1,510	0	409,543
Long-term shareholder loans	0	129,577	0	0	0	0	129,577
Non-current financial liabilities from leases	54,918	0	-17,798	125	21,837	-9,341	49,741
Total	445,638	208,625	0	85	25,409	-9,817	669,941

The current financial liabilities shown in the table do not include bank overdrafts, in line with the presentation of changes in financial liabilities in the consolidated cash flow statement. The other non-cash changes arise from changes in discounts and interest.

23. Provisions

Provisions break down as follows:

EUR k

	Amount on January 1, 2025	Addition	Utilization	Amounts not used and written back	Reclassi- fication	Acquisitions through business combinations	Disposals from the scope of consolidation	Effects from exchange rate differ- ences	Amount on December 31, 2025	Current provisions 2025	Non-current provisions 2025
Market-related provisions	27,318	8,461	-7,033	-10,211	0	0	0	-1,549	16,986	16,986	0
Obligations relating to personnel	26,370	4,413	-6,021	-7,807	0	0	0	-8	16,947	6,877	10,070
Other provisions	598	1,232	-100	-789	0	0	0	-69	872	872	0
Provisions	54,286	14,106	-13,154	-18,807	0	0	0	-1,626	34,805	24,735	10,070

EUR k

	Amount on January 1, 2024	Addition	Utilization	Amounts not used and written back	Reclassi- fication	Acquisitions through business combinations	Disposals from the scope of consolidation	Effects from exchange rate differ- ences	Amount on December 31, 2024	Current provisions 2024	Non-current provisions 2024
Market-related provisions	18,282	23,108	-11,687	-6,751	50	4,986	-1,108	438	27,318	27,318	0
Obligations relating to personnel	8,507	31,605	-12,981	-673	-50	0	0	-38	26,370	10,609	15,761
Other provisions	2,233	1,671	-1,715	-1,612	0	0	0	21	598	598	0
Provisions	29,022	56,384	-26,383	-9,036	0	4,986	-1,108	421	54,286	38,525	15,761

Market-related obligations include provisions for risks arising after development work has been completed and risks arising from the sale of parts and products. For the most part, these comprise warranty claims calculated on the basis of previous claims and estimated future claims. These encompass Group liability for the proper functioning of the products sold and obligations to compensate buyers for damages and costs caused by use of the products. In addition, provisions for anticipated losses from onerous contracts from series development are included. The additions relate to provisions for warranty claims amounting to EUR 2,389 thousand (previous

year: EUR 5,064 thousand), provisions for anticipated losses from onerous contracts from series development of EUR 2,813 thousand (previous year: EUR 12,332 thousand), and provisions for quality costs of EUR 159 thousand (previous year: EUR 6,320 thousand). Utilization amounts to EUR 1,731 thousand (previous year: EUR 3,992 thousand) for provisions for warranty claims and EUR 4,047 thousand (previous year: EUR 5,930 thousand) for provisions for anticipated losses from onerous contracts from series development. Unused, reversed amounts of EUR 1,987 thousand (previous year: EUR 1,591 thousand) relate to provisions for warranty claims, EUR 5,643 thousand

(previous year: EUR 0 thousand) to provisions for quality costs, and EUR 1,311 thousand (previous year: EUR 2,606 thousand) to provisions for anticipated losses from onerous contracts from series development.

Personnel provisions contain obligations related to personnel and social benefits such as anniversary bonuses. In addition, it includes restructuring provisions of EUR 9,780 thousand (previous year: EUR 18,890 thousand) as of December 31, 2025. These increased due mainly to additions of EUR 3,195 thousand (previous year: EUR 29,833 thousand) and decreased due to reversals and utilizations of EUR 7,354 thousand (previous year: EUR 673 thousand) and EUR 4,955 thousand (previous year: EUR 11,635 thousand) respectively.

Other provisions include a number of identifiable specific risks and contingent liabilities, such as provisions for litigation costs, which are recognized at their probable amounts.

24. Trade accounts payable

Trade accounts payable break down as follows:

EUR k	December 31, 2025	December 31, 2024 ¹
Non-current trade accounts payable	762	1,128
Current trade accounts payable	364,553	401,771 ¹
Trade accounts payable	365,315	402,899¹

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Note 6.

Trade accounts payable include outstanding obligations arising from the Group's provision of goods and services. Outstanding invoices and liabilities for goods received are recognized in trade accounts payable in accordance with their nature. Trade accounts payables generally do not bear interest and usually have a term of up to 90 days. Specifically, the non-current trade accounts payable include a liability under a rental purchase agreement with a remaining term of three years. Trade accounts payable are subject to the supplier's customary retention of title.

25. Other financial liabilities

Other financial liabilities break down as follows:

EUR k	December 31, 2025	December 31, 2024
Derivative financial liabilities	0	4,156
Liabilities from leases	16,730	18,353
Liabilities to associated companies	817	2,387
Miscellaneous other current financial liabilities	2,813	2,548
Other current financial liabilities	20,360	27,444
Derivative financial liabilities	0	18
Liabilities from leases	54,272	49,741
Shareholder loans	136,162	129,576
Other non-current financial liabilities	190,434	179,335

Other financial liabilities include both current and non-current liabilities from leases. Unlike in the 2024 financial year, currency hedges are included in other financial assets. As in the 2024 financial year, non-current financial liabilities continue to include a shareholder loan of EUR 129,576 thousand; the increase in this item corresponds to the interest.

26. Other liabilities

Other liabilities break down as follows:

EUR k	December 31, 2025	December 31, 2024 ¹
Other liabilities	105,645	97,930 ¹
of which personnel-related liabilities	32,645	30,351
of which liabilities for consulting	2,700	2,588
Liabilities from other taxes and charges	13,132	15,632
Prepayments received	9,252	3,862
Social security obligations	6,527	6,516
Deferred income	3,437	999
Other current liabilities	137,993	124,939¹
Prepayments received	0	0
Other non-current liabilities	0	0
Other liabilities	137,993	124,939¹

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Notes 3 and 6.

Other liabilities comprise mainly liabilities to employees from outstanding annual leave, overtime, flex-time, or similar benefits. Liabilities from value-added taxes and short-term deferred expenses are also taken into account. Another significant component is liabilities to customers amounting to EUR 26,227 thousand (previous year: EUR 23,001 thousand) arising in connection with over-lapping factoring transactions and customer payments.

Social security liabilities are largely liabilities to social security agencies.

27. Statement of Cash Flows

The statement of cash flows explains cash flows, broken down into cash inflows and outflows from operating activities, investing activities, and financing activities, regardless of the structure of the balance sheet.

Due to the sale of the TMD Group in the 2024 financial year, the statement of cash flows is broken down into continuing and discontinued operations.

Cash flow from operating activities is derived indirectly from earnings before taxes. Earnings before taxes are adjusted for non-cash expenses (primarily depreciation, amortization, and impairment losses) and income. Cash flow from operating activities is calculated under consideration of the change in working capital. Investing activities comprise payments for property, plant, and equipment, intangible assets, and financial assets, but not additions of right-of-use assets. Financing activities also include changes to other financial liabilities and lease liabilities as well as cash outflows for the compensation claim of the hybrid loan lender.

In the 2025 financial year, cash flow from investing activities from discontinued operations included proceeds of EUR 2.2 million from the sale of the TMD Group in the previous year. In the previous year, cash inflows from the sale of the TMD Group amounted to EUR 39.5 million. EUR 44.4 million is also shown as a cash outflow from investing activities for the assets and liabilities acquired as part of the takeover of the business operations of the Ningbo Jifeng Interior Group in the EMEA region. The GRAMMER Group considers cash and cash equivalents to be cash and short-term deposits with a maturity of up to three months, less bank overdraft liabilities. Cash and cash equivalents and short-term deposits amounting to EUR 52.2 million (previous year: 108.7 million) are subject to Chinese foreign exchange regulations, which require official approval for the transfer of funds to foreign group companies. Management assumes that the approvals will be issued promptly when dividend payments are planned, but points out the risk of unforeseen delays. Unlike in previous years, payments from factoring that GRAMMER receives from both customers and the factoring bank are no longer offset against current financial liabilities but are instead offset against other current liabilities, as these payments are attributable to operations. This reclassification reduced operating cash flow for the previous year by EUR 17.5 million, while cash flow from financing activities increased by the same amount. The reclassification is explained in more detail in Note 3.

28. Legal disputes

Some GRAMMER Group companies are involved in legal disputes or could be involved in further legal disputes. This could bring about claims for compensation or other claims. Suitable amounts and, where necessary, receivables from insurers are recognized for these receivables and claims.

A US subsidiary of GRAMMER AG has been a defendant in several lawsuits in the US, one of which has been filed as a class action. Under the lawsuits, claims are being asserted for allegedly defective products. The amount in dispute has not been set. GRAMMER is defending itself against pending lawsuits, although the outcome of the proceedings cannot be predicted at this time.

There are not currently any further pending lawsuits or legal action that could significantly impact GRAMMER's financial situation, nor have there been any in the past.

29. Contingent liabilities

Contingent liabilities break down as follows:

EUR k

	2025	2024
Guarantees	1,011	1,247

Guarantees have been issued primarily as performance bonds.

30. Related party disclosures

Information on the Group structure, subsidiaries, and the parent company can be found in Note 4.

Terms of related party transactions

This section describes the sales to and purchases from related parties on arm's length terms. Outstanding amounts at the end of the financial year are unsecured, non-interest bearing and are settled by cash payment. No guarantees exist for receivables from or liabilities to related parties. An impairment test is performed annually by reviewing the financial position of the related party and the market in which it operates. As in the previous year, no impairment losses were recognized on receivables from related parties as of December 31, 2025.

The table below contains the amounts arising from related-party transactions for the financial year in question:

EUR k

Related parties		Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
GRA-MAG Truck Interior Systems LLC	2025	11,089	0	1,769	0
	2024	12,007	0	1,893	0
Ningbo Jifeng Auto Parts Co., Ltd.	2025	6,341	22,266	6,761	12,306
	2024	1,107	22,940	3,168	16,964
Jifeng Automotive Interior GmbH	2025	-765	-43,911	0	49
	2024	974	514	951	46,501
Jifeng Automotive Interior CZ s.r.o.	2025	312	900	51	0
	2024	2,548	249	45	0
Ningbo Jifeng Technology Co., Ltd.	2025	0	11,398	0	5,213
	2024	0	3,800	0	888
Ningbo Jiye Trading Co., Ltd.	2025	0	135	0	7
	2024	0	-32	0	-47
Tianjin Jifeng Auto Parts Co., Ltd.	2025	0	103	0	91
	2024	0	28	0	13
Jifeng Seating (Hefei) Co., Ltd. (formerly Hefei Jiye Auto Parts Co., Ltd.)	2025	0	1,049	7	45
	2024	76	2,125	0	527
Shenyang Jifeng Auto Parts Co., Ltd.	2025	0	648	0	76
	2024	0	735	0	18
Jifeng Seating Shanghai Co., Ltd.	2025	550	0	56	0
	2024	295	0	293	0
Ningbo Jixin Auto Parts Ltd. Co.	2025	0	0	0	0
	2024	15	0	0	0
AllyGram Systems and Technologies Private Limited	2025	0	4,735	0	870
	2024	0	5,028	0	904
GRAMMER Vehicle Parts (Tianjin) Co., Ltd.	2025	0	641	0	0
	2024	13	0	5	732

GRAMMER Vehicle Parts (Changchun) Co., Ltd.	2025	-10	1	539	0
	2024	-17	0	250	0
GRAMMER Jifeng Automotive Seating GmbH, Ursensollen	2025	133	0	143	0
	2024	406	0	174	0
Jifeng Automotive Interior BH d.o.o.	2025	188	1,384	0	127
	2024	0	0	0	0
Ningbo Jisheng Trading Co.	2025	1,229	0	1,340	0
	2024	0	0	0	0

Acquisition of the European business of the Ningbo Jifeng Group by GRAMMER

On July 31, 2024, GRAMMER acquired the European business of the Ningbo Jifeng Automotive Interior Group, a wholly owned subsidiary of Ningbo Jifeng Auto Parts Co., Ltd. The transfer of beneficial ownership took place on December 31, 2024. The transaction was structured as an asset deal, with the business operations transferred in their entirety and valued as a business combination in accordance with IFRS 3. The purchase price of EUR 46,502 thousand was confirmed by an external fairness opinion. After the final purchase price adjustment in the 2025 financial year, this amounted to EUR 45,673 thousand, as also shown in Note 6.

GRA-MAG Truck Interior Systems LLC

Until its sale on November 17, 2025, the Group held a 50% stake in the share capital of GRA-MAG Truck Interior Systems LLC; see Note 6. As of November 17, 2025, GRA-MAG Truck Interior Systems LLC employed 51 people (previous year: 50).

AllyGram Systems and Technologies Private Limited

The Group holds a 30% interest in the share capital of AllyGram Systems and Technologies Private Limited (ALLYGRAM). ALLYGRAM provides development services for the GRAMMER Group, which are invoiced on the basis of hourly rates. As of December 31, 2025, ALLYGRAM employed 112 people (previous year: 115).

Ningbo Jihong Holdings Co., Ltd. (formerly Ningbo Jihong Investment Co., Ltd.)

Ningbo Jihong Investment Co., Ltd., Ningbo City, China is the ultimate parent company of GRAMMER AG. There are no relationships with Ningbo Jihong Holdings Co., Ltd. regarding the supply of goods and services. According to the most recently published notifications of voting

rights pursuant to Section 40 of the WpHG dated December 11, 2019, Ms. Bifeng Wu together with Yiping Wang and Jimin Wang (the Wang family) are named as the ultimate controlling party of the GRAMMER Group.

Ningbo Jifeng Auto Parts Co., Ltd.

GRAMMER AG received subordinated loans totaling EUR 130 million from the majority shareholder Ningbo Jifeng Auto, Ltd. in the 2024 financial year to strengthen its financial resources over the long term. Furthermore, two Chinese subsidiaries of GRAMMER AG – GRAMMER Interior (Changchun) Co., Ltd. and GRAMMER Interior (Tianjin) Co., Ltd. – each issued a loan to the majority shareholder Ningbo Jifeng Auto, Ltd. totaling EUR 62 million in the 2024 financial year.

GRAMMER Jifeng Automotive Seating GmbH

GRAMMER AG holds a 20% interest in the share capital of GRAMMER Jifeng Automotive Seating GmbH, which was jointly founded with the majority shareholder Ningbo Jifeng Auto Parts Co., Ltd. in the 2024 financial year.

[Ningbo Jifeng Auto Parts Co., Ltd. / Jiye Auto Parts GmbH / Jifeng Automotive Interior GmbH / Jifeng Automotive Interior CZ s.r.o. / Ningbo Jifeng Technology Co., Ltd. / Ningbo Jiye Trading Co., Ltd. / Tianjin Jifeng Auto Parts Co., Ltd. / Jifeng Seating \(Hefei\) Co., Ltd. \(formerly Hefei Jiye Auto Parts Co., Ltd.\) / Hefei Jifeng Auto Parts Co., Ltd. / Shenyang Jifeng Auto Parts Co., Ltd. / GRAMMER Vehicle Parts Tianjin Co., Ltd. / GRAMMER Vehicle Parts Changchun Co., Ltd.](#)

Jifeng Automotive Interior CZ s.r.o., Česká Lípa, Czech Republic, Jiye Auto Parts GmbH, Frankfurt am Main, Germany, Jifeng Automotive Interior GmbH, Kitzingen, Germany, Ningbo Jifeng Technology Co., Ltd., Ningbo City, China, Ningbo Jiye Trading Co., Ltd., Ningbo City, China, Tianjin Jifeng

Auto Parts Co., Ltd., Tianjin, China, Jifeng Seating (Hefei) Co., Ltd. (formerly Hefei Jiye Auto Parts Co., Ltd.), Hefei, China, Hefei Jifeng Auto Parts Co., Ltd., Hefei, China, and Shenyang Jifeng Auto Parts Co., Ltd., Shenyang, China, as well as the new companies GRAMMER Vehicle Parts (Tianjin) Co., Ltd., Tianjin, China, and GRAMMER Vehicle Parts Changchun Co. Ltd., Changchun, China, which were established in 2023, are controlled by Ningbo Jifeng Auto Parts Co., Ltd., as is the direct parent company of GRAMMER AG (Jiye Auto Parts GmbH). GRAMMER maintains direct relations with these companies for the delivery of goods and the provision of services. A cost coverage agreement is in place between Ningbo Jifeng Auto Parts Co., Ltd. and GRAMMER AG, particularly for the reimbursement of expenses incurred in the provision of information to the Ningbo Jifeng Group in connection with the preparation of the annual financial statements. For the 2025 financial year, GRAMMER AG invoiced internal and external costs totaling EUR 1,661 thousand (previous year: EUR 357 thousand). Accordingly, all internal costs and all external costs were recharged in full by GRAMMER AG. Internal costs are determined on the basis of the hours worked by the department in question and external costs incurred.

Hybrid loans of EUR 19,581 thousand, EUR 19,214 thousand, and EUR 45,675 thousand were granted by Ningbo Jifeng Auto Parts Co., Ltd. to Chinese subsidiaries of GRAMMER AG on March 30, 2020, October 31, 2023, and December 16, 2024, respectively. The hybrid loans have been entered into for an indefinite term and are classified as equity. As of April 20 and 21, 2025, the compensation claims from the 2020 and 2023 hybrid loans comprising interest accrued for the period from March 30, 2024, to March 29, 2025, equivalent to EUR 2,069 thousand (previous year: EUR 1,028 thousand) were paid to the hybrid loan lender. The balance of the hybrid loans as of December 31, 2025, is EUR 85,894 thousand as a result of the interest accrued since March 30, 2025.

A purchasing cooperation agreement is in place between Ningbo Jifeng Auto Parts Co., Ltd. and GRAMMER AG. No direct service relationships are established between Ningbo Jifeng and GRAMMER AG as a result of the joint purchasing activities. Ningbo Jifeng Auto Parts Co., Ltd. and GRAMMER AG have entered into a cooperation agreement to develop and produce automotive interior components and armrests for the Chinese market. Settlement for this is based on the unit price for the goods supplied in the course of the cooperation.

A proxy voting agreement was signed between Jifeng Seating Shanghai Co., Ltd. and GRAMMER (China) Holding Co., Ltd. in 2023. Under this agreement, Shanghai Jifeng Seating Co., Ltd. exercises the shareholder rights of GRAMMER (China) Holding Co., Ltd. in respect of two subsidiaries of the GRAMMER Vehicle Parts (Harbin) Co., Ltd. joint venture, in which GRAMMER (China) Holding Co., Ltd. holds a 60% interest, and GRAMMER (China) Holding Co., Ltd. is required to follow the instructions issued in this regard. This proxy voting agreement does not result in any direct service relationships between Shanghai Jifeng Seating Co., Ltd. and GRAMMER (China) Holding Co., Ltd.

The business of Jifeng Automotive Interior Group (JAI), consisting of Jifeng Automotive Interior GmbH, Jifeng Automotive Interior CZ s.r.o., and Jifeng Automotive Interior BH d.o.o., was transferred from JAI to GRAMMER effective December 31, 2024.

Disclosures relating to the Executive Board / Supervisory Board

No companies in the GRAMMER Group entered into any significant transactions with members of the Executive Board or the Supervisory Board of GRAMMER AG or with any companies on whose management or supervisory boards such persons are represented. This also applies to family members of such persons. The remuneration of the Executive Board and the Supervisory Board is presented in Note 34.

31. Additional information on financial instruments

The following table shows all financial instruments of the Group recognized in GRAMMER AG, classified according to measurement category, carrying amount, and fair value:

EUR k

	Measurement category in accordance with IFRS 9	Carrying amount on December 31, 2025	Amount recognized in statement of financial position in accordance with IFRS 9		Amount recognized in statement of financial position in accordance with IFRS 16	Fair value on December 31, 2025
			Amortized cost	Fair value through other comprehensive income		
Assets						
Cash and short-term deposits	FAAC	152,745	152,745			152,745
Trade accounts receivable	FAAC	222,439	222,439			222,439
Other financial assets						
Loans and receivables	FAAC	59,935	59,935			58,880
Investments in associates	FVOCI	40,487		40,487		40,487
Financial assets held for trading	FVtPL	0			0	0
Derivatives with hedge relationship	n.a.	6,370		6,370		6,370
Liabilities						
Trade accounts payable	FLAC	365,315	365,315			365,257
Current and non-current financial liabilities	FLAC	418,700	418,700			405,795
Other liabilities						
Liabilities to customers	FLAC	26,227	26,227			26,227
Liabilities for consulting services	FLAC	2,700	2,700			2,700
Other financial liabilities						
Other financial liabilities	FLAC	139,792	139,792			127,643
Liabilities from leases	n.a.	71,002			71,002	n.a.
Derivatives with no hedge relationship	FLtPL	0			0	0
Derivatives with hedge relationship	n.a.	0		0		0

EUR k

	Measurement category in accordance with IFRS 9	Carrying amount on December 31, 2025	Amount recognized in statement of financial position in accordance with IFRS 9			Amount recognized in statement of financial position in accordance with IFRS 16	Fair value on December 31, 2025
			Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss		
Of which aggregated by category in accordance with IFRS 9:							
Assets							
Financial assets at amortized cost	FAAC	435,119	435,119				434,067
Financial assets at fair value through other comprehensive income	FVOCI	40,487		40,487			40,487
Financial assets at fair value through profit and loss	FVtPL	0			0		0
Liabilities							
Financial liabilities at amortized cost	FLAC	952,734	952,734				927,622
Financial liabilities at fair value through profit and loss	FLtPL	0			0		0

EUR k

	Measurement category in accordance with IFRS 9	Carrying amount on December 31, 2024 ^{1,2}	Amount recognized in statement of financial position in accordance with IFRS 9		Amount recognized in statement of financial position in accordance with IFRS 16	Fair value on December 31, 2024 ^{1,2}
			Amortized cost ^{1,2}	Fair value through other comprehensive income		
Assets						
Cash and short-term deposits	FAAC	219,846	219,846			219,846
Trade accounts receivable	FAAC	257,434 ¹	257,434 ¹			257,434¹
Other financial assets						
Loans and receivables	FAAC	68,240	68,240			68,240
Investments in associates	FVOCI	29,068		29,068		29,068
Financial assets held for trading	FVtPL	0			0	0
Derivatives with hedge relationship	n.a.	823		823		823
Liabilities						
Trade accounts payable	FLAC	402,899 ²	402,899 ²			402,811²
Current and non-current financial liabilities	FLAC	475,627 ²	475,627 ²			474,763²
Other liabilities						
Liabilities to customers	FLAC	23,001 ²	23,001 ²			23,001²
Liabilities for consulting services	FLAC	2,588	2,588			2,588
Other financial liabilities						
Other financial liabilities	FLAC	134,511	134,511			121,342
Liabilities from leases	n.a.	68,094			68,094	n.a.
Derivatives with no hedge relationship	FLtPL	198			198	198
Derivatives with hedge relationship	n.a.	3,976		3,976		3,976

EUR k

	Measurement category in accordance with IFRS 9	Carrying amount on December 31, 2024 ^{1,2}	Amount recognized in statement of financial position in accordance with IFRS 9		Amount recognized in statement of financial position in accordance with IFRS 16	Fair value on December 31, 2024 ^{1,2}	
			Amortized cost ^{1,2}	Fair value through other comprehensive income			Fair value through profit or loss
Of which aggregated by category in accordance with IFRS 9:							
Assets							
Financial assets at amortized cost	FAAC	545,520 ¹	545,520 ¹			545,520¹	
Financial assets at fair value through other comprehensive income	FVOCI	29,068		29,068		29,068	
Financial assets at fair value through profit and loss	FVtPL	0			0	0	
Liabilities							
Financial liabilities at amortized cost	FLAC	1,038,626 ²	1,038,626 ²			1,024,505²	
Financial liabilities at fair value through profit and loss	FLtPL	198			198	198	

¹ In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. See Note 6 for more information.

² Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Note 3.

The maximum default risk as of the reporting date corresponds to the carrying amount of each category of financial assets listed.

Because of the short term-nature of cash and short-term deposits, trade accounts receivable, and other current receivables, it is assumed that the carrying amounts equate to their fair values.

The fair value of other non-current receivables with remaining terms of over one year equate to the present value of the payments associated with the assets taking account of the prevailing interest rate parameters.

Trade accounts payable and other liabilities usually have short residual maturities. Longer-term trade accounts payable are determined on the basis of the respective yield curves and the risk premium applicable to GRAMMER.

The fair values of liabilities to banks, promissory note loans, and other non-current financial liabilities are determined as the present values of the payments associated with the liabilities calculated on the basis of the respective yield curves and the risk premium applicable to GRAMMER.

Fair value measurement

The table below sets out the quantitative parameters for measuring the fair value of assets and liabilities on the basis of the fair value hierarchy as of December 31, 2025:

EUR k	Total	Level 1	Level 2	Level 3
Assets recognized at fair value				
Other financial assets				
Loans and receivables	58,880	0	58,880	0
Other investments	40,487	0	0	40,487
Derivative financial assets				
Currency forwards	6,370	0	6,370	0
Liabilities recognized at fair value				
Derivative financial liabilities				
Currency forwards	0	0	0	0
Liabilities for which a fair value is recognized				
Interest-bearing liabilities				
Liabilities under rental purchase contracts	1,070	0	1,070	0
Current and non-current financial liabilities	405,795	0	405,795	0
Other financial liabilities	127,643	0	127,643	0

The table below sets out the quantitative parameters for measuring the fair value of assets and liabilities on the basis of the fair value hierarchy as of December 31, 2024:

EUR k	Total	Level 1	Level 2 ¹	Level 3
Assets recognized at fair value				
Other financial assets				
Loans and receivables	68,240	0	68,240	0
Other investments	29,068	0	0	29,068
Derivative financial assets				
Currency forwards	823	0	823	0
Liabilities recognized at fair value				
Derivative financial liabilities				
Currency forwards	4,174	0	4,174	0
Liabilities for which a fair value is recognized				
Interest-bearing liabilities				
Liabilities under rental purchase contracts	1,386	0	1,386	0
Current and non-current financial liabilities	474,763 ¹	0	474,763 ¹	0
Other financial liabilities	121,342	0	121,342	0

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Note 3.

The levels of the fair value hierarchy reflect the significance of the input data used to measure fair value. The hierarchy is broken down as follows:

Level 1: Market prices (unadjusted) quoted in active markets for identical assets and liabilities.

Level 2: Valuation of assets or liabilities is based on directly or indirectly observable input data, which does not constitute quoted prices in accordance with Level 1.

Level 3: Input data used for the asset or liability that is not based on observable market data.

There were no reclassifications between Level 1, Level 2, and Level 3 in the reporting period.

Reconciliation of fair values at Level 3

The following table shows the reconciliation of the opening balance to the closing balance for fair values at Level 3:

EUR k

	Other investments
Opening balance on January 1, 2025	29,023
Purchases	10,066
Sales	0
Changes in fair value through profit and loss	0
Changes in fair value through other comprehensive income	1,398
Reclassifications	0
Other changes	0
Closing balance as of December 31, 2025	40,487

The table below shows the gains and losses on financial instruments:

EUR k

	2025	2024
Financial assets at amortized cost	-12,263	4,498
Financial assets and financial liabilities at fair value through profit and loss	152	-537
Financial liabilities at amortized cost	-1,250	-1,888
Net gains/losses from financial instruments	-13,361	2,073

Net gains/losses from financial assets measured at amortized cost include currency translation gains or losses, changes to impairments recognized in profit or loss, gains or losses from derecognition, and payments received and reversals of previously impaired receivables.

Net gains or losses from financial assets and financial liabilities measured at fair value through profit or loss include changes in the fair value of derivative financial instruments to which hedge accounting is not applied, including interest income and interest expenses. No interest income or expenses arose in the statement of comprehensive income in the 2025 financial year or in the reference year. For an overview of interest income and interest expenses measured at amortized cost, refer to Note 9.2.

The net gains or losses from financial liabilities measured at amortized cost primarily include currency translation gains and losses from financial liabilities.

The GRAMMER Group has entered into framework agreements with several banks. The derivative assets and liabilities outstanding as of the reporting date do not satisfy the offsetting criteria provided for in IAS 32.42. Accordingly, they are reported separately in the statement of financial position. However, the framework agreements include offsetting arrangements that apply in the event of insolvency.

The following table sets out the carrying amounts of the financial instruments that are subject to these agreements:

EUR k

	Gross and net amounts of financial instruments in the statement of financial position	Offsetting agreement	Net amount
December 31, 2025			
Financial assets			
Currency forwards	6,370	0	6,370
Financial liabilities			
Currency forwards	0	0	0

EUR k

	Gross and net amounts of financial instruments in the statement of financial position	Offsetting agreement	Net amount
December 31, 2024			
Financial assets			
Currency forwards	818	-529	289
Financial liabilities			
Currency forwards	-4,174	529	-3,645

As offsetting is not used in the statement of financial position, gross and net figures are aggregated in one column.

32. Financial derivatives and risk management

The material non-derivative financial liabilities used in the Group encompass promissory note loans, private placements, bank loans, bank overdrafts, liabilities from leases, and trade accounts payable. The Group has various financial assets, such as trade accounts receivable, cash, and short-term deposits or money market funds, that result directly from its operating activities.

In addition, the Group enters into derivative financial instruments when necessary, which are used in risk management primarily to hedge interest rate and currency risks.

Financial risks

The Group is exposed to credit and liquidity risks as well as currency, interest rate, and other market risks. Consequently, the Executive Board has implemented a risk management system, which is also monitored by the Supervisory Board. The risk management system is integrated in the area of responsibility of the Chief Financial Officer, while the Executive Board bears ultimate overall responsibility. The rules are designed to promote responsible handling of risks and prudent actions among all Group employees. Management of risk is the responsibility of Group management. Together with experts in financial risk, Group management prepares a suitable framework for managing financial risks. This framework ensures that the activities of the Group that entail financial risk are carried out with the relevant guidelines and procedures, and that financial risks are identified, assessed, and managed in line with these guidelines and taking into account the Group's risk tolerance.

All derivative transactions entered into for risk management purposes are managed by expert teams that have the necessary knowledge and experience and are subject to adequate supervision. The guidelines for management of the risks set out below have been audited and approved by company management.

Credit risk

Credit risk is defined as the risk of the Group suffering a loss (risk of default) because a counterparty fails to fulfill its obligations. The Group guidelines stipulate that transactions may be entered into only with creditworthy third parties to reduce the risks of non-performance. The credit worthiness of major customers, especially in the automotive sector, is subject to particular monitoring due to risks from deliveries of goods. If no rating information is available, the Group uses other available financial information and its own records to assess major customers. Customers wishing to enter into credit-based transactions for the first time are also regularly subjected to creditworthiness checks. Prepayments are used to reduce the risk of default by

customers. Receivables are monitored on an ongoing basis to ensure that the Group is not exposed to any material default risk. The Group does not see any material default risks as major transactions are characterized by short-term maturity structures and its major customers have high credit ratings.

Market risk

Market risk refers to the risk that the fair value or future cash flows of financial instruments may vary due to fluctuations in market prices. Market risk encompasses the following three risk types: exchange rate risk, interest rate risk, and other price risks, such as share price risk. Financial instruments exposed to market risk include interest-bearing loans, deposits, financial assets at fair value through other comprehensive income, and derivative instruments. The sensitivity analyses in the following sections refer to the situation as of December 31, 2025 and 2024, respectively. They were prepared on the basis of the hedge relationships existing on December 31, 2025, and on the assumption that net debt, the ratio of fixed and variable interest rates on debt and derivatives, and the proportion of financial instruments denominated in foreign currencies will remain constant.

All depictions of the potential financial effects are approximations and are based on the assumptions of the relevant sensitivity analysis and method. The actual effects on the Group may vary considerably as a result of actual market developments.

Currency risk

As a consequence of its international focus and business activities, GRAMMER is exposed to currency risks. These arise primarily from sales transactions in the ordinary course of business in international markets outside the eurozone and as a result of recognized assets and liabilities of the GRAMMER Group. The main currencies in the GRAMMER Group are the euro, Czech koruna, Polish zloty, US dollar, Turkish lira, Mexican peso, and Chinese yuan. Transacting business in currencies other than the functional currencies of the respective Group companies may result in risks arising from future payment flows. Exchange rate fluctuations may lead to unforeseeable and unfavorable volatility in earnings and cash flow.

Individual cash flows in the respective currency are aggregated in accordance with the GRAMMER Group's currency management guidelines, resulting in a net currency surplus or shortfall in periodic observations. Aggregated currency surpluses or currency requirements are hedged in advance on a rolling basis within the framework of the currency management guideline on the basis of the budgeted business plan. The hedging ratios of the respective currency exposures are increased over time.

The risk is mitigated by the fact that business transactions are settled mainly in the respective functional currency of the invoicing unit. In addition, where it is possible and cost-effective, commodities and services are purchased in the corresponding foreign currency and production takes place in local markets. A shortfall or surplus of foreign currency holdings is hedged by means of currency forwards after all the measures already mentioned have been carried out. The aim of hedging transactions is to offset the volatility that can arise from cash inflows or outflows.

The operating units are not permitted to raise or invest financial resources in foreign currencies for speculative purposes.

Cash flow hedges

During the reporting period, currency hedges were in place in PLN, CZK, and MXN where the conditions for cash flow hedging were satisfied. The following foreign currency-related hedging instruments, broken down by maturity, are held:

EUR k	Maturity			Total
	1-6 months	7-12 months	13-18 months	
2025				
Currency forwards (sales expected with a high probability)				
Notional amount (in EUR thousand)	26,561	12,601	0	39,162
Average forward exchange rate (EUR/CZK)	25.414	25.395	0.000	
Currency forwards (sales expected with a high probability)				
Notional amount (in EUR thousand)	9,936	4,530	0	14,466
Average forward exchange rate (EUR/PLN)	4.438	4.438	0.000	
Currency forwards (sales expected with a high probability)				
Notional amount (in USD thousand)	20,260	10,264	0	30,524
Average forward exchange rate (USD/MXN)	20.879	21.142	0.000	

EUR k	Maturity			Total
	1-6 months	7-12 months	13-18 months	
2024				
Currency forwards (sales expected with a high probability)				
Notional amount (in EUR thousand)	27,329	24,145	11,376	62,850
Average forward exchange rate (EUR / CZK)	25.065	25.471	25.492	
Currency forwards (sales expected with a high probability)				
Notional amount (in EUR thousand)	12,808	11,620	5,382	29,810
Average forward exchange rate (EUR / PLN)	4.450	4.432	4.459	
Currency forwards (sales expected with a high probability)				
Notional amount (in USD thousand)	23,140	10,803	0	33,943
Average forward exchange rate (USD / MXN)	18.283	18.223	0.000	

As of December 31, 2025, currency forwards with a positive market value of EUR 6,370 thousand (previous year: EUR 822 thousand) and a negative market value of EUR 0 thousand (previous year: EUR -3,976 thousand) were designated as hedging instruments within the scope of cash flow hedging. The settlement results are recognized in the financial result. There were no significant ineffective portions of hedging transactions to report in the year under review.

The effects of foreign-currency-related hedging instruments on the Group's net assets, financial position, and results of operations are as follows:

EUR k	December 31, 2025	December 31, 2024
Carrying amount (other current financial assets)	6,370	822
Carrying amount (other current financial liabilities)	0	-3,976
Notional value	79,605	125,332
Hedge relationship ¹	1:1	1:1
Change in the fair value of outstanding hedges since January 1	9,524	-4,969
Change in the value of the hedged transaction to determine the effectiveness of the hedge relationship	-9,505	4,950
Effect on accumulated other comprehensive income:	2025	2024
Cash flow hedge amount on January 1	-1,947	1,381
Change in the fair value of the hedge (effective part)	11,283	-4,667
Reclassified from other comprehensive income to profit or loss	-1,852	-197
Tax expenses (-) / tax income	-2,870	1,536
Cash flow hedge amount on December 31	4,614	-1,947

¹ Currency forwards are in the same currency as the highly probable future sales (therefore a 1:1 hedge relationship).

The sensitivity analysis of changes in currency is based on the following assumptions:

- All monetary financial instruments not held in the functional currency are taken into account. The analysis is based on the original balance sheet items of the Group companies subject to a significant risk arising from the company's different functional currency.
- Changes in foreign exchange rates relating to financial instruments that are part of a net investment in foreign operations have an impact on equity.
- Derivatives for the purpose of currency hedging that are designated as hedging instruments in the context of cash flow hedges have an impact on equity and are taken into account in the sensitivity analysis.
- Currency derivatives that are not designated as cash flow hedges have an impact on net profit for the period and are taken into account in the sensitivity analysis accordingly.
- A change in the exchange rate (appreciation/depreciation of the foreign currency relative to the euro) of + / - 10 percentage points (previous year: + / - 10) on the reporting date is assumed in order to determine sensitivity to currency risks. All other variables remain constant.

The table below shows the sensitivity of consolidated net income before taxes shown in the consolidated statement of income and of equity to a reasonably possible change in the exchange rate.

EUR k

	Changes in the USD exchange rate	Effect on earnings before taxes	Effect on equity
2025	+10%	-1,176	-12,279
	-10%	1,169	12,280
2024	+10%	11,737	-2,743
	-10%	-11,732	2,743

	Changes in the TRY exchange rate	Effect on earnings before taxes	Effect on equity
2025	+10%	493	0
	-10%	-493	0
2024	+10%	756	0
	-10%	-756	0

	Changes in the CZK exchange rate	Effect on earnings before taxes	Effect on equity
2025	+10%	6,929	4,505
	-10%	-6,928	-3,686
2024	+10%	7,955	6,865
	-10%	-7,956	-5,617

	Changes in the PLN exchange rate	Effect on earnings before taxes	Effect on equity
2025	+10%	-49	1,670
	-10%	50	-1,366
2024	+10%	356	3,341
	-10%	-355	-2,734

	Changes in the CNY exchange rate	Effect on earnings before taxes	Effect on equity
2025	+10%	-158	0
	-10%	182	0
2024	+10%	-5,562	0
	-10%	5,618	0

	Changes in the MXN exchange rate	Effect on earnings before taxes	Effect on equity
2025	+10%	0	4,101
	-10%	0	-2,812
2024	+10%	0	3,317
	-10%	0	-2,561

Interest rate risk

There were no interest-related hedging instruments as of December 31, 2025. These expired in the 2023 financial year.

The sensitivity analysis of changes in interests is based on the following assumptions:

- Financial instruments measured at amortized cost with a fixed rate of interest are not subject to interest rate risks and thus not included in the sensitivity analysis.
- Interest rate derivatives that are not designated as cash flow hedges have an impact on net profit for the period and are taken into account in the sensitivity analysis accordingly.
- Interest rate derivatives that are designated as cash flow hedges have an impact on equity and are taken into account in the sensitivity analysis accordingly.
- The interest rate risk from currency derivatives is deemed immaterial and is therefore not included in the sensitivity analysis.
- The calculation of the sensitivity of interest rate derivatives assumes a parallel shift in the yield curve of +/- 50 basis points (previous year: +/- 50). For interest-bearing current account balances, the credit interest rate was reduced to a minimum of 0.001%.

The table below shows the sensitivity of earnings before taxes and of equity to a reasonably possible change in interest rates. All other parameters remain constant.

EUR k

	Increase / reduction (basis points)	Effect on earnings before taxes	Effect on equity
2025	-50	-227	0
	50	711	0
2024	-50	-366	0
	50	917	0

Ineffectiveness of hedge relationships

The effectiveness of hedge relationships is determined at the inception of each hedge relationship and through regular prospective assessments to ensure that there is a commercial relationship between the hedged item and the hedging instruments.

To hedge foreign currency transactions, the Group enters into hedge relationships in which the contractual terms of the hedging instruments match those of hedged items in the respective month on average. The dollar offset method is used to assess the effectiveness of the hedge relationship.

Hedges of foreign currency transactions may be ineffective if the timing of the planned transaction changes from the original estimate or if there are any changes in the credit risk of GRAMMER or the counterparty to the derivative. There was no material ineffectiveness with regard to foreign currency derivatives in the 2025 and 2024 financial years.

Liquidity risk

The Group manages liquidity risks by means of appropriate bank credit facilities totaling EUR 275.5 million (previous year: EUR 247.2 million) and by constantly monitoring projected and actual cash flows and matching the maturity profiles of financial assets and liabilities. The aim is to maintain a balance between covering the need for financial resources at all times and ensuring flexibility through the use of overdraft facilities, loans, bonds, factoring, capitalized leases, and rental purchase agreements.

As of December 31, 2025, the Group had undrawn credit facilities amounting to EUR 106.2 million (previous year: EUR 84.4 million), for which all conditions necessary for utilization had already been met.

The following tables show the contractually agreed interest and principal payments for the non-derivative financial liabilities and for the derivative financial instruments with negative fair values:

EUR k

	Carrying amount	Cash flow		
		2026	2027–2029	2030 and beyond
2025				
Bonded loans	49,593	1,978	51,070	0
Bank loans	365,331	54,832	335,921	1,218
Bank overdrafts	3,777	3,777	0	0
Current and non-current financial liabilities	418,701	60,587	386,991	1,218
Current and non-current trade accounts payable	365,315	364,605	802	0
Liabilities from leases	71,002	19,492	36,656	25,212
Other originated financial liabilities	139,792	3,630	136,162	0
Current and non-current other financial liabilities	210,794	23,122	172,818	25,212
Liabilities to customers	26,227	26,227	0	0
Liabilities for consulting service	2,700	2,700	0	0
Other liabilities	28,927	28,927	0	0
Interest rate derivatives	0	0	0	0
Currency derivatives	0	0	0	0
Incoming payments	0	0	0	0
Outgoing payments	0	0	0	0
Derivatives	0	0	0	0
	1,023,737	477,241	560,611	26,430

EUR k

	Carrying amount ^{1,2}	Cash flow		
		2025	2026–2028	2029 and beyond
2024^{1,2}				
Bonded loans	52,096	4,628	46,279	6,558
Bank loans	420,172	76,085	398,155	3,254
Bank overdrafts	3,359 ¹	3,359	0	0
Current and non-current financial liabilities	475,627¹	84,072	444,434	9,812
Current and non-current trade accounts payable	402,899²	401,843	1,220	0
Liabilities from leases	68,094	20,246	33,161	22,668
Other originated financial liabilities	134,511	4,935	129,576	0
Current and non-current other financial liabilities	202,605	25,181	162,737	22,668
Liabilities to customers	23,001 ¹	23,001	0	0
Liabilities for consulting service	2,588	2,588	0	0
Other liabilities	25,589¹	25,589	0	0
Interest rate derivatives	0	0	0	0
Currency derivatives	4,174	0	0	0
Incoming payments	0	87,292	11,515	0
Outgoing payments	0	-91,004	-11,376	0
Derivatives	4,174	-3,712	139	0
	1,110,894	532,973	608,530	32,480

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Note 3.

² In the 2025 financial year, the purchase price for the assets acquired in the previous year was adjusted based on the final closing statement of financial position. See Note 6 for more information.

All instruments in the portfolio on the reporting date for which payments were already contractually agreed are included. Budget figures for future new liabilities are not included. Amounts in foreign currency are converted at the spot rate on the reporting date. Financial liabilities repayable on demand are always allocated to the earliest maturity band. Variable interest payments under non-derivative financial instruments were established on the basis of the interest rates last fixed before the reporting date. In the case of interest rate derivatives, the net payments are recorded based on calculation of payment flows on the variable side using the relevant forward interest rates.

For currency derivatives, both the payments made and corresponding payments received are recorded, since net cash settlement is not generally possible for these derivatives, which must be settled through provision of the counter currency.

Capital management

Capital management serves the purpose of ensuring a high credit rating and establishing an appropriate equity ratio. The Group manages its financial structure in line with this objective and, taking account of general economic conditions, adapts it to the objective.

The Group monitors its capital structure by reference to leverage and gearing. Leverage is the ratio of EBITDA (earnings before interest, taxes, depreciation and amortization) to net debt. Net debt is made up of current and non-current financial liabilities and current and non-current other financial liabilities less cash and short-term deposits. Gearing is defined as the ratio of net debt to equity.

EUR k	December 31, 2025	December 31, 2024 ¹
Non-current financial liabilities	375,343	409,543
Other non-current financial liabilities	190,434	179,335
Current financial liabilities	43,358	66,084 ¹
Other current financial liabilities	20,360	27,444
Cash and short-term deposits	-152,745	-219,846
Net debt	476,750	462,560¹
Equity	278,605	266,924
Equity ratio	17%	16%
Gearing	171%	173% ¹
EBITDA	149,177	80,858
Leverage	3.2	5.7 ¹

¹ Some of the comparative figures have been adjusted compared with the previous year's financial statements. Adjustments result from changes to the financial statements in accordance with Note 3.

Long-term financial liabilities decreased to EUR 375.3 million in the current financial year (previous year: EUR 409.5 million) due to reclassifications from long-term to short-term loans and repayments. Short-term financial liabilities decreased significantly from EUR 66.1 million in the previous year to EUR 43.4 million as of December 31, 2025, due mainly to repayments.

Cash and cash equivalents and short-term deposits decreased from EUR 219.8 million in the previous year to EUR 152.7 million as of December 31, 2025, due to the purchase price of EUR 44.4 million paid in 2025 for the European business of the Ningbo Jifeng Group.

Financial covenants have also been agreed under loan agreements; they relate to the two key figures of leverage and gearing. Non-recurring items effects are not taken into account in the calculation of EBITDA. Compliance with the financial covenants is tested every quarter; the next test will take place on March 31, 2026.

Commodity price risk

Purchase prices, especially for commodities such as steel, foam, and plastics, are subject to significant fluctuations depending on the market situation. As these cannot always be passed on to customers, this results in price risks. To hedge these risks, the company seeks long-term supply contracts and consolidates volumes to limit volatility. Commodity futures contracts recognized as derivatives under IFRS 9 can also be transacted in order to hedge price risks arising from purchases of raw materials. The Group carefully monitors the development of markets as a basis for decision-making about the implementation of hedging.

33. Disclosure of shareholdings in accordance with section 33 of the German Securities Trading Act (WpHG)

Under Section 33 (1) or (2) of the German Securities Trading Act (WpHG), any party whose shareholding in a listed company reaches, exceeds, or falls below certain percentages of the voting rights in the company by purchase, sale, or any other means must notify the company and the Federal Financial Supervisory Authority (BaFin) without undue delay, but within four trading days at the latest. The lowest threshold for this reporting requirement is 3%. The company was notified of the following shareholdings as of December 31, 2025, in accordance with Section 33 of the WpHG (the percentage and number of shares shown refer to the share capital in existence as of the date of the notification; the number of shares is taken from the most recent notification submitted to GRAMMER AG and may therefore no longer apply):

Ms. Bifeng Wu, Mr. Yiping Wang, and Mr. Jimin Wang, China, notified us on October 14, 2019, and December 11, 2019, pursuant to Section 33 (1) of the WpHG, that their share of voting rights in GRAMMER AG (ISIN: DE0005895403) continued to exceed the threshold of 75% and amounted to 84.23% (10,618,681 voting rights). Of this, 84.23% (10,618,681 voting rights) is attributable to Ms. Bifeng Wu, Mr. Yiping Wang, and Mr. Jimin Wang pursuant to Section 34 of the WpHG. Voting rights are attributed to the following company: Jiye Auto Parts GmbH, Frankfurt am Main, Germany, an indirect subsidiary of Ningbo Jifeng Auto Parts Co., Ltd., Ningbo, China (disclosed on December 16, 2019).

All notifications received by GRAMMER AG in accordance with Sections 33 et seq. of the WpHG can be viewed on the company's website and on the eqs-news.com platform of EQS Group AG.

34. Other disclosures

Employees

Annual average number of employees:

	2025	2024
Wage-earning employees	9,058	9,272
Salaried employees	2,846	2,844
Total	11,904	12,116

Hyperinflation

IAS 29, "Financial Reporting in Hyperinflationary Economies," provides guidance on assessing whether the economy of a particular jurisdiction is hyperinflationary. However, the IASB does not name specific jurisdictions. The International Practices Task Force (IPTF) of the US Center for Audit Quality monitors the status of "hyperinflationary" countries. The Task Force's criteria for identifying such countries are similar to those for identifying "hyperinflationary economies" under IAS 29. Argentina was among the countries where the predicted cumulative inflation rate exceeded 100% over the last three years.

Based on this assessment, the effects of the application of IAS 29 are reviewed annually. The application of IAS 29 resulted in an increase of EUR 0.6 million in revenue, EUR 0.01 million in EBIT, and EUR 0.02 million in net profit/loss in the 2025 financial year. In the 2024 financial year, there was an increase of EUR 0.9 million in revenue, EUR 0.09 million in EBIT, and EUR 0.07 million in net profit/loss.

Auditor's fees as stipulated in Section 314 (1) no. 9 of the German Commercial Code (HGB)

The fees for the auditor of the consolidated financial statements, BDO AG Wirtschaftsprüfungsgesellschaft, Nuremberg, recognized as an expense in the financial year, amounted to EUR 1,486.5 thousand for the audit services, of which EUR 490.4 thousand was attributable to the previous year's audit. In the previous year, EUR 1,366.2 thousand was recognized as fees, of which EUR 43.5 thousand was attributable to the previous year's audit (2023), which was carried out by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Nuremberg. Fees for other assurance services in 2025 amounted to EUR 13.0 thousand (previous year: EUR 0 thousand). Other services amounted to EUR 8.8 thousand (previous year: EUR 28.6 thousand).

The auditor's fees for international network companies recognized as an expense in the financial year amounted to EUR 624.1 thousand, of which EUR 41.2 thousand was attributable to the previous year's audit. In the previous year, EUR 282.6 thousand was recognized as auditor's fees, of which EUR 0 thousand was attributable to the previous year's audit (2023). Fees for other services in 2025 amounted to EUR 12.8 thousand (previous year: EUR 7.4 thousand).

Additional fees paid to the auditor of the consolidated financial statements, BDO AG Wirtschaftsprüfungsgesellschaft, in connection with the audit of the consolidated financial statements for the Ningbo Jifeng Group amounted to EUR 56.2 thousand in the 2025 financial year (previous year: EUR 36.0 thousand) and are not included in the auditor's fees as they were charged directly to Ningbo Jifeng Auto Parts Co., Ltd., Ningbo, China.

Executive Board and Supervisory Board remuneration

The remuneration paid to the Executive Board and Supervisory Board is set out in the following table:

EUR k

	2025	2024
Total remuneration paid to the Executive Board amounted to	2,483	1,651
The Supervisory Board received total remuneration of	580	679

The total remuneration of the Executive Board is not influenced by the previous year's figures, whereas the comparative figure for the previous year includes effects from previous periods amounting to EUR -62 thousand.

The total remuneration of the Executive Board amounted to EUR 2,178 thousand (previous year: EUR 1,815 thousand), with EUR 305 thousand (previous year: EUR -164 thousand) in other long-term benefits. The Executive Board was expanded from two to three members in the 2024 financial year.

Regarding the remuneration system of GRAMMER AG and the disclosures for remuneration paid to the individual members of the Executive Board, refer to the information in the remuneration report in accordance with Section 162 of the AktG. The report is published under "MANAGEMENT & SUPERVISORY BOARD" in the "COMPANY" section of the company's website at www.grammer.com.

In view of the amendment to the Executive Board service agreements in the 2021 financial year, GRAMMER AG no longer has any pension obligations to the incumbent members of its current Executive Board. Instead, members of the Executive Board receive defined-contribution allowances for their private pension schemes, which are included in the total remuneration listed above. Executive Board members do not receive any loans from the company.

Payments of EUR 2,530 thousand (previous year: EUR 370 thousand) were made by the company to former members of the management and the Executive Board and their surviving dependents under retirement benefit commitments. This included the full settlement of the previous pension obligation to a former member of the Executive Board in the financial year.

Pension obligations to former members of the management or Executive Board and their surviving dependents totaled EUR 4,763 thousand as of the reporting date (previous year: EUR 7,469 thousand) and were recognized in accordance with IAS 19.

Regarding the disclosures for the remuneration paid to the individual members of the Supervisory Board, refer to the information in the remuneration report in accordance with Section 162 of the AktG. The report is published under "MANAGEMENT & SUPERVISORY BOARD" in the "COMPANY" section of the company's website at www.grammer.com.

35. Supplementary report

On February 20, 2026, the US Supreme Court ruled that the tariffs imposed by the US government on the basis of the International Emergency Economic Powers Act (IEEPA) were unlawful, as the IEEPA does not provide a legal basis for imposing these tariffs. The company is closely monitoring further legal and political developments. It is currently being examined whether and to what extent tariffs already paid on the basis of the IEEPA in the United States of America can be reclaimed. Due to the continuing considerable uncertainty regarding the final outcome of the legal proceedings, possible legislative measures, and the resulting consequences for the supply chain, it is not possible at this point in time to reliably quantify the financial impact on the Group.

On February 28, 2026, an armed conflict broke out between the US, Israel, and Iran. The Group is currently assessing the potential impact on supply chains, energy prices, and existing business relationships in the affected region. At the time of preparing these consolidated financial statements, the financial impact on the Group's net assets, financial position, and results of operations cannot yet be reliably quantified.

The events listed above are adjusting events after the reporting period in the context of IAS 10.21.

36. Corporate Governance Declaration

Personnel changes on the Executive Board of GRAMMER AG

On March 31, 2025, Chief Financial Officer Jurate Keblyte left the company at her own request. She had been a member of the Executive Board since August 1, 2019. The Supervisory Board agreed to her request to terminate her Executive Board contract ahead of schedule.

Effective April 1, 2025, Thomas Strobl was appointed as a new member of the Executive Board of GRAMMER AG, but resigned soon after on June 20, 2025. Kelvin (Bangben) Wang is his successor as Chief Financial Officer and new member of the Executive Board, having taken over the role immediately on June 20, 2025. Wang was previously CFO for the APAC region and, since the beginning of 2025, has also been CFO for the EMEA region.

Personnel changes on the Supervisory Board of GRAMMER AG

Also in February 2025, GRAMMER AG announced that five members of the Supervisory Board representing the shareholders would resign their positions prematurely effective March 31, 2025. The outgoing members of the Supervisory Board are Chair of the Supervisory Board Dr. Martin Kleinschmitt, Jürgen Kostanjevec, Dagmar Rehm, Gabriele Sons and Prof. Birgit Vogel-Heuser.

The competent court has been requested to appoint their successors. By resolution dated March 5, 2025, the new Supervisory Board members were appointed effective April 1, 2025. The final election of the new members by the shareholders took place at the Annual General Meeting of GRAMMER AG on May 22, 2025.

Effective January 1, 2025, Caterina Messina was appointed to the Supervisory Board as employee representative by the Amberg Local Court, taking over the position from Antje Wagner.

Effective April 1, 2025, the Amberg Local Court appointed Dr. Markus Lauer, Jian Shi, Xiaolu Tang, Yiping Wang, and Sijun Zhang to the Supervisory Board. Dr. Ping He took over as Chair of the Supervisory Board.

At the end of April 2025, GRAMMER AG employees elected their representatives, Klaus Bauer, Andrea Elsner, Udo Fechtner, Martin Heiss, Caterina Messina, and Nicole Schobert, to the Supervisory Board effective from the end of the Annual General Meeting on May 22, 2025.

At the Annual General Meeting of GRAMMER AG on May 22, 2025, the members of the Supervisory Board appointed by the court in April and Dr. Ping He were confirmed as members of the Supervisory Board. On January 1, 2026, Dr. Markus Lauer was elected Chair of the Supervisory Board, replacing Dr. Ping He as Chair of the Supervisory Board.

Detailed further information is available in the remuneration report.

Corporate governance statement

The corporate governance statement in accordance with Section 315d in conjunction with Section 289f of the HGB and the corresponding declaration of conformity with the German Corporate Governance Code (Section 161 of the AktG) have been issued and can be viewed at any time under "CORPORATE GOVERNANCE" in the "INVESTOR RELATIONS" section of the company's website at www.grammer.com.

Ursensollen, March 13, 2026



Jens Öhlenschläger



Kelvin (Bangben) Wang



Guoqiang Li

The Executive Board of GRAMMER Aktiengesellschaft

Independent auditor's report

To GRAMMER Aktiengesellschaft, Ursensollen, Germany

Report on the audit of the Consolidated Financial Statements of the Combined Management Report

Audit opinions

We have audited the consolidated financial statements of GRAMMER Aktiengesellschaft, Ursensollen, Germany, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1, 2025 to December 31, 2025, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report (management report for the Company and the Group) of GRAMMER Aktiengesellschaft for the financial year from January 1, 2025 to December 31, 2025. In accordance with the German legal requirements, we have not audited the content of the components of the combined management report listed under "OTHER INFORMATION".

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

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards"), as adopted by the EU, and the additional requirements of German law pursuant to section 315e (1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the net assets and financial position of the Group as at December 31, 2025 and of its results of operations for the financial year from January 1, 2025 to December 31, 2025, and

- the accompanying combined management report provides an appropriate view of the Group's financial position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of the components of the combined management report listed under "OTHER INFORMATION".

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 consolidated financial statements or of the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and combined management report in accordance with section 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as the "EU Audit Regulation") and in compliance with the German Generally Accepted Standards for the Audit of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Public Auditors in Germany). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the Group companies 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) (f) of the EU Audit Regulation, we declare that we have not provided any of the prohibited non-audit services referred to in 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 consolidated financial statements and the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2025 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following matters to be the key audit matters to be communicated in our auditor's report:

1. Recoverability of goodwill
2. Revenue recognition over time from series developments
3. Recognition of revenue in the context of series deliveries

1. Recoverability of goodwill

Facts of the case

Goodwill of EUR 108.0 million is recognized under the balance sheet item "Intangible assets" item in the consolidated financial statements of GRAMMER AG. For the purpose of impairment testing, this goodwill is allocated to groups of cash-generating units that correspond to the Group's segments.

In accordance with IAS 36, goodwill is subject to at least one annual impairment test, in which the carrying amount of the group of cash-generating units to which the goodwill is allocated is compared with its recoverable amount. The basis for determining the recoverable is the present value of future cash flows of the group of cash-generating units.

The valuations are based on planning projections for each group of cash-generating units, which are based in turn on the budget approved by the management and the Supervisory Board of GRAMMER AG as well as the approved medium-term planning, and are therefore discretionary. Discounting is performed using the weighted average cost of capital (WACC) of the relevant group of cash-generating units. The parameters used to determine the discount rate are partly based on estimated market expectations and are therefore also discretionary.

In view of the planning uncertainty resulting from the forward-looking nature of the valuation, but also against the background of the current macroeconomic environment as well as the existing scope for discretion in the context of the required impairment test, the recoverability of goodwill was one of the most significant issues in our audit.

GRAMMER AG's disclosures regarding goodwill are included in section 2.1 "Significant accounting policies and accounting and valuation principles sensitive to estimates and assumptions," subsection "Estimates and discretion (IAS 8)" and "Goodwill (IAS 38, IAS 36)" as well as in section 13.3 "Goodwill" of the notes to the consolidated financial statements.

Audit response and findings

In order to assess the recoverable amounts determined by management for the groups of cash-generating units, we addressed the processes related to the review and approval of the planning as a key basis for the impairment tests and performed substantive audit procedures.

We discussed the definition of the cash-generating units as of December 31, 2025, with the management of GRAMMER AG and assessed their appropriateness. In addition, we involved our valuation experts in the audit for the methodological and arithmetic assessment of the valuation model and the calculation parameters applied. We verified whether the valuation models were applied consistently.

We also examined whether the budget and the medium-term planning reflect general, regional or industry-specific market expectations. In addition to comparing our assessment with relevant market expectations, we also evaluated the explanations provided by management regarding the key value drivers underlying the planning. In order to assess the accuracy of the planning, we performed a target-actual comparison of historical planning data with the actual results for a selective sample.

The valuation parameters used to determine the recoverable amounts, such as the estimated growth rates, were assessed on the basis of an analysis of general market indicators. We assessed the derivation of the weighted average cost of capital (WACC) by evaluating the beta factors used, particularly with regard to the composition of the selected peer companies, and by com-

paring the cost of equity and debt with available market data. In order to identify any potential impairment risk, we also used sensitivity analyses to examine the results of the impairment test and determine what changes in certain valuation parameters would lead to a different assessment of the need for impairment at the level of the cash-generating unit.

Overall, we satisfied ourselves that the assumptions made by management in performing the impairment test and the valuation parameters used are reasonable and fall within an acceptable range.

2. Revenue recognition over time from series developments

Facts of the case

The consolidated financial statements of GRAMMER AG report revenue of EUR 107.1 million in the income statement resulting from complex, customer-specific development contracts that require revenue to be recognized over time. The companies of the GRAMMER Group generally fulfill their performance obligations from these customer-specific development contracts over a certain period of time and recognize the resulting revenue in accordance with IFRS 15, Revenue from Contracts with Customers, in line with the stage of completion of the performance obligation in question. The stage of completion in relation to complete fulfillment is determined using input-oriented criteria on the basis of the costs incurred. Expected contract losses arising from a performance obligation in connection with series development are recognized immediately as an expense through corresponding provisions.

The recognition of revenue and earnings over time is highly dependent on management's assessment of the total contract revenue and total contract costs and has a significant impact on the items in the consolidated financial statements as a result of the determination of the stage of completion. In addition, the assessment of whether contract losses are to be expected is subject to judgment. In our view, the recognition of revenue from series developments over time was therefore one of the most significant matters posing a risk of material misstatement in the consolidated financial statements.

GRAMMER AG's disclosures regarding revenue recognition over time can be found in section 2.1 "Significant accounting policies and accounting and valuation principles sensitive to estimates and assumptions," subsections "Estimates and discretion (IAS 8)" and "Revenue from Contracts with Customers (IFRS 15)" as well as section 8 "Revenue from contracts with customers" and section 16 "Contract balances" of the notes to the consolidated financial statements.

Audit response and findings

We assessed the key controls designed by management in the area of order acceptance and processing as well as the recognition of contracts with customers, in particular in connection with the identification of performance obligations, the determination of the transaction price and the estimation of contract costs, by means of tests of design and tests of controls. In this context, we tested controls at the transaction level as well as controls at a higher level, such as regular review meetings.

For a sample of development contracts and also for those development contracts that were significant due to their technical or commercial complexity or their financial importance against the background of the assets recognized from customer contracts, we also performed the substantive tests of details described below.

We conducted interviews with the individuals responsible for group-wide project controlling in order to obtain an overview of the content of the contracts and the commissioned development services and the status of fulfillment of the contract in question, the reasons for any deviations between planned and actual costs and the current assessment of the costs expected to be incurred until completion. We examined the information obtained to determine whether it is consistent with available audit evidence, such as customer correspondence or customer contracts. In doing so, we assessed whether management's plans were consistent with current market trends and externally available sales forecasts for the underlying automobile series. We also verified the transaction price of the performance obligations by comparing it with the contractual basis. If, on the basis of management's projections, full coverage of the unavoidable

costs to fulfill the contractual obligation could no longer be expected, we verified that a provision for the executory contract was recognized.

We analyzed the reported revenue from series developments to determine, among other things, whether the planned and realized margin from the contracts is in line with our expectations of the development in comparable projects.

Based on the audit procedures we performed, we found the judgments made by management in recognizing revenue from series developments over time to be appropriate.

3. Recognition of revenue in the context of series deliveries

Facts of the case

The revenue reported in the consolidated financial statements is mainly generated from serial deliveries. Revenue from serial deliveries is generally recognized upon fulfillment of the relevant performance obligation, i.e. at the time the customer obtains control over the underlying asset.

The recognition of revenue is subject here to the risk that it is recognized at the wrong time or in the wrong amount or that fictitious revenue is recognized. Revenue results from a large number of individual transactions in the form of separate deliveries. For this reason, there is an increased risk of incorrect revenue recognition. As revenue also has a material impact on the consolidated financial statements of GRAMMER AG, we considered the recognition of revenue to be a key audit matter.

GRAMMER AG's disclosures regarding revenue recognized at a specific point in time can be found in section 2.1 "Significant accounting policies and accounting and valuation principles sensitive to estimates and assumptions", subsection "Revenue from Contracts with Customers (IFRS 15)" and section 8 "Revenue from contracts with customers" of the notes to the consolidated financial statements.

Audit response and findings

As part of our audit, we examined the contractual basis agreed with the customers, in particular the regulations on the time at which control is obtained and the regulations regarding the billing procedure, and assessed these on the basis of our understanding of the business and processes. Against this background, we gained an understanding of the company's internal procedures and control mechanisms for revenue recognition.

In this context, we also performed functional tests of relevant internal controls.

We performed substantive audit procedures by examining a sample of revenue transactions on the basis of invoices, proof of delivery and proof of payment. Our audit procedures included obtaining external customer confirmations on a sample basis. In particular, we verified the amount of revenue recognized by comparing the transaction prices used for a mixture of deliberately selected transactions and a sample with the relevant contractual bases. We also examined whether the corresponding trade receivables were settled by the customer in the normal course of business by payment of the invoice amount. We reconciled a random sample of incoming payments to the corresponding bank statements. We verified the correct allocation of revenue transactions to the appropriate periods in the days before and after December 31, 2025 for a mixture of deliberately selected transactions and a sample of transactions by means of substantive audit procedures based on invoices and proof of delivery.

Overall, we were able to verify the recognition of revenue in the context of series deliveries.

Other information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises: Die sonstigen Informationen umfassen:

- the separate non-financial group report published on the parent company's website, to which reference is made in the "Combined non-financial report" section of the combined management report
- the separately published Group corporate governance statement, to which reference is made in the "Corporate governance statement" section of the combined management report
- the separately published remuneration report within the meaning of section 162 AktG, to which reference is made in the "Remuneration report" section of the combined management report
- the sections "Basic principles of the internal control and risk management system", "Opportunity and risk management process", and "Compliance management system" contained in the report on opportunities and risks in the combined management report
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information

- materially inconsistent with the consolidated financial statements, the combined management report or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

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

Responsibility of the legal representatives and the supervisory board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of the consolidated financial statements which, in all material respects, comply with the IFRS Accounting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e (1) HGB and for ensuring that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group in accordance with these standards and requirements. Furthermore, management is responsible for such internal control as it has determined necessary to enable the preparation of consolidated 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 consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for preparing accounts on the basis of the going concern principle of accounting, unless there is an intention to liquidate the Group or to discontinue operations or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as it has 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 Group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

Auditor's Responsibility for the audit of the Consolidated Financial Statements and the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Group's position and, in all material respects, is consistent with the consolidated 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 opinions on the consolidated 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 the German Generally Accepted Standards for the Audit of Financial Statements 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 consolidated 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 consolidated 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 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 controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of the 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 opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present

the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group in compliance with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB.

- plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides.
- perform audit procedures on the forward-looking information presented by management in the combined management report. On the basis of sufficient and appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the forward-looking information and evaluate the proper derivation of the forward-looking statements from these assumptions. We do not express a separate audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant, unavoidable risk that future events will differ materially from the forward-looking statements.

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 also provide those charged with governance with a statement that we have complied with relevant independence requirements and discuss 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 implemented to mitigate any independence risks.

From the matters discussed with those charged with governance, we determine the matters that were of most significance in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report, unless laws or other regulations preclude public disclosure of the matter.

Other legal and regulatory requirements

Report on the audit of the electronic rendering of the Consolidated Financial Statements and the Consolidated Management Report prepared for publication purposes in accordance with section 317 (3a) HGB

Audit opinion

We have performed assurance work in accordance with section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter also referred to as the "ESEF documents") contained in the file "529900VJD4H4GZ0KGA70-2025-12-31-1-de.xbri" made available and prepared for publication purposes complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of section 328(1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1, 2025 to December 31, 2025 contained in the above "REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the audit opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic

Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibilities under those regulations and standards are further described in the "Auditor's responsibility for the audit of the ESEF documents" section. Our audit firm has applied the requirements for the quality assurance system of the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibility of management and the Supervisory Board for the ESEF documents

The company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the company's management is responsible for such internal control that it has determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of section 328 (1) HGB for the electronic reporting format.

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

Responsibility of the auditor of the consolidated financial statements 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 assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance 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 Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report;
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Other disclosures pursuant to article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting held on May 22, 2025. We were engaged by the Supervisory Board on September 16, 2025. We have been the auditor of the consolidated financial statements of GRAMMER Aktiengesellschaft without interruption since the 2024 financial year.

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 (audit report).

In addition to the audit of the financial statements, we provided the following services to group entities, which are not disclosed in the consolidated financial statements or combined management report:

- Audit of the remuneration report pursuant to section 162 (3) AktG of GRAMMER AG for the financial year from January 1, 2025, to December 31, 2025.
- Audit of EMIR requirements pursuant to section 32 (1) of the Securities Trading Act (WpHG) in conjunction with section 3 of the Counterparty Review and Certification Regulation (GPrüfbV) at GRAMMER AG for the financial year from January 1, 2024, to December 31, 2024.

Other matter – use of the auditor’s report

Our auditor’s report must always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein may be used solely in conjunction with the audited ESEF documents made available in electronic form.

Responsible Auditor

The German public auditor responsible for the audit is Jorit Silber.

Nuremberg, March 13, 2026

BDO AG
Wirtschaftsprüfungsgesellschaft

Beck	Silver
German Public Auditor	German Public Auditor

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Ursensollen, March 13, 2026

GRAMMER AG

The Executive Board

GRAMMER Group multi-year overview in accordance with IFRS

EUR m

	2025	2024 ^{1,2}	2023 ¹	2022	2021
Group revenue	1,821.2	1,921.7	2,055.0	2,158.8	1,903.0
Revenue EMEA	1,069.6	1,044.3	1,210.9	1,131.4	1,061.5
Revenue AMERICAS	316.9	391.7	372.2	672.5	517.7
Revenue APAC	477.3	536.6	532.3	426.7	406.3
Statement of income					
Gross profit	209.1	189.3	232.4	140.5	175.3
EBIT	69.1	8.1	72.4	-45.0	18.9
EBIT margin (%)	3.8	0.4	3.5	-2.1	1.0
Financial result	-36.6	-31.8	-30.3	-17.8	-12.2
Earnings before taxes	32.5	-23.7	42.1	-62.8	6.7
Income taxes	-9.0	-24.3	-17.4	-15.8	-6.1
Net profit/loss	23.5	-48.0	24.7	-78.6	0.6
Consolidated Statement of Financial Position					
Total assets	1,607.2	1,699.6 ²	1,534.4	1,444.6	1,483.4
Non-current assets	927.4	927.2	813.6	768.1	833.5
Current assets	679.8	772.4 ²	720.8	676.5	649.9
Equity	278.6	266.9	313.4	301.1	345.6
Equity ratio (%)	17.3	15.7	20.4	20.8	23.3
Net financial liabilities	476.8	462.6 ²	401.1	429.3	420.2

EUR m

	2025	2024 ^{1,2}	2023 ¹	2022	2021
Statement of Cash Flows¹					
Capital expenditure (without acquisitions through business combinations and financial assets)	94.0	96.3	92.9	91.0	114.7
Depreciation and amortization	80.1	72.8	66.5	162.4	84.2
Cash flow from operating activities	147.5	62.6 ²	123.6	106.7	71.3
Employees¹					
Annual average	11,904	12,116	12,778	14,044	14,006
Domestic employees	2,465	2,776	2,932	2,936	2,848
Non-domestic employees	9,439	9,340	9,846	11,108	11,158
Personnel costs	438.1	473.3	438.4	518.5	465.9
Share data					
Prices (Xetra closing price in EUR)	6.00	4.80	10.90	10.55	17.95
Market capitalization (EUR m)	91.4	73.1	166.1	160.8	273.5
Dividend (EUR)	0.00 ³	0.00	0.00	0.00	0.00
Earnings per share (EUR)	1.40	-3.33	1.55	-5.26	0.08

¹ Continuing operations. In fiscal year 2024, the TMD Group was sold and reported as a discontinued operation. The figures for fiscal year 2023 are presented on a comparable basis.

² The comparative figures have been partially adjusted compared to the prior-year financial statements. The changes result from presentation changes in accordance with Notes 3 and 6.

³ As a condition of the syndicated loan agreement concluded in the 2024 fiscal year, the suspension of dividends for the term of the agreement was agreed upon.

Financial Calendar 2026¹

Important dates for shareholders and analysts



Publication of
Annual Report 2025



Annual General
Meeting 2026



Analyst and financial
press conference



Publication of
Interim Report
2nd Quarter 2026



Publication of Interim
Management State-
ment 1st Quarter 2026



Publication of Interim
Management State-
ment 3rd Quarter 2026

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¹ All dates are tentative and subject to change without notice.

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