

GROUP MANAGEMENT REPORT

BUSINESS DEVELOPMENT AND ECONOMIC SITUATION

1. AUTOMOTIVE INDUSTRY DEVELOPMENT IN 2024

REGISTRATIONS OF NEW CARS IN THE MAJOR INTERNATIONAL MARKETS

in units	2024	Share	2023	Share	Change	2022
China	22,987,000	44.4%	21,706,300	43.3%	5.9%	23,240,500
USA	15,851,100	30.6%	15,509,900	31.0%	2.2%	13,734,200
Europa (EU, EFTA and UK)	12,963,614	25.0%	12,847,929	25.7%	0.9%	11,294,500
Total three major markets	51,801,714	100%	50,064,129	100%	3.5%	48,269,200
Other selected countries						
India	4,274,800		4,101,700		4.2%	3,792,400
Japan	3,725,200		3,992,700		-6.7%	3,448,300
Brazil	2,487,500		2,180,200		14.1%	1,960,500
Mexico	1,495,000		1,360,100		9.9%	1,084,600

Most of the international automotive markets developed positively in 2024. Among the three globally most important sales markets of China, the USA and Europe (EU, EFTA and UK), the Chinese market clearly stood out with an increase in new passenger car registrations of 5.9%. In Europe (EU, EFTA and the UK), growth was only 0.9%, while sales in the USA rose even more strongly at 2.2%, thanks to a solid macroeconomic development.

China with above-average growth

With almost 23 million new registrations, China once again took the top position in the statistics in 2024. The solid growth of 5.9% can be attributed primarily to a particularly strong fourth quarter. In December 2024 alone, 2.6 million new passenger cars were registered in China. The reason for this was probably not least the scrapping bonus that the government in Beijing had extended for disused cars.

Slight increase in the USA

The general economic development in the USA also had a positive effect on new registrations of light vehicles (passenger cars and light duty trucks). A total of 15.9 million such vehicles were newly registered in 2024, an increase of 2.2% compared to the previous year. Compared to December, the increase was around 2% to 1.5 million light vehicles.

REGISTRATIONS OF NEW CARS IN EUROPE (EU, EFTA AND UK)

in units	2024	Share	2023	Share	Change	2022
Germany	2,817,331	21.7%	2,844,609	22.1%	-1.0%	2,651,400
United Kingdom	1,952,778	15.1%	1,903,054	14.8%	2.6%	1,614,100
France	1,718,412	13.3%	1,774,722	13.8%	-3.2%	1,529,000
Italy	1,559,229	12.0%	1,567,151	12.2%	-0.5%	1,316,900
Spain	1,016,885	7.8%	949,362	7.4%	7.1%	813,400
Other European countries	3,898,979	30.1%	3,809,031	29.7%	2.4%	3,369,700
EUROPA (EU, EFTA and UK)	12,963,614	100%	12,847,929	100%	0.9%	11,294,500

Weak rise in Europe (EU, EFTA and UK)

The passenger car market in Europe (EU, EFTA and UK) developed less dynamically in 2024. A total of almost 13 million vehicles were newly registered here last year, which corresponds to a slight increase of 0.9%. Growth was slowed down by the generally weak economic development and increasingly perceptible location problems. The continent's largest individual markets developed quite differently. The passenger car markets in Spain (7.1%) and the UK (2.6%) were up, while the other major European markets of Italy (-0.5%), Germany (-1.0%) and France (-3.2%) showed negative developments.

European vehicle production with negative development

In 2024, 15.7 million passenger cars were produced in Europe, a decrease of about 6% compared to the previous year. European automotive production thus accounted for around 16% of the global production of 97.7 million vehicles. For 2025, experts expect a further decline to below 15 million passenger cars produced in Europe.

REGISTRATIONS OF NEW CARS IN EUROPE (EU, EFTA AND UK) BY DRIVE TECHNOLOGY

in units	2024	Share	2023	Share	Change	2022
Petrol-driven cars	4,273,672	33.0%	4,583,544	35.7%	-6.8%	4,142,300
Diesel-driven cars	1,350,294	10.4%	1,531,765	11.9%	-11.8%	1,638,000
Hybrid electric vehicles (HEV)	4,068,308	31.4%	3,401,288	26.5%	19.6%	2,647,900
Battery electric vehicles (BEV)	1,993,102	15.4%	2,018,885	15.7%	-1.3%	1,574,600
Plug-in hybrid electric cars (PHEV)	952,058	7.3%	990,749	7.7%	-3.9%	1,014,400
Other alternatively-powered vehicles (APV)	326,180	2.5%	321,698	2.5%	1.4%	277,300
EUROPA (EU, EFTA and UK)	12,963,614	100%	12,847,929	100%	0.9%	11,294,500

Increasing popularity of hybrid electric vehicles

In Europe (EU, EFTA and UK), the combined share of newly registered petrol and diesel-driven cars accounted for less than half for the second year in a row.

New registrations of vehicles with other drive technologies increased by 9.0% year-on-year across all types, with their share rising from 52.4% to 56.6%.

Petrol-powered passenger cars once again remained the most popular form of drive for new registrations in 2024 with a market share of 33.0%, closely followed by hybrid electric passenger cars with a share of 31.4%. Compared to the previous year, this type of drive was thus able to increase in popularity and was the only drive technology to record significant growth of 19.6% in 2024. 15.4% of all

newly registered passenger cars were purely battery powered. For the second year in a row, this type of drive was thus well ahead of diesel-driven new cars in 2024 with a market share of 10.4%.

Clearly negative trend at the end of the year in the EU

In December 2024, new registrations of purely battery electric cars in the EU fell by 10.2% year-on-year to 144,367 units. This development is mainly due to a significant decline in registrations in Germany (-38.6%) and France (-20.7%).

At the same time, hybrid electric car registrations in the EU increased by 33.1% in December, surpassing petrol-driven car registrations for the fourth consecutive month.

New registrations of plug-in hybrid cars also rose by 4.9% in December, primarily due to significant increases in France (44.9%) and Germany (6.8%).

With a decrease of 1.8% compared to the previous year, December 2024 recorded a decline in new registrations of petrol-driven vehicles. All major markets except Spain (16%) recorded declines: France -23.0%, Italy -11.4% and

Germany -7.4%. The market for diesel-driven vehicles also declined, falling by around 15%. This means that the market share of diesel cars in December was only 9.8%. Overall, double-digit declines were recorded in most EU markets.

REGISTRATIONS OF NEW COMMERCIAL VEHICLES IN EUROPE (EU, EFTA AND UK)

in units	2024	Share	2023	Share	Change	2022
Light commercial vehicles <3.5 t	2,002,023	82.0%	1,872,519	80.5%	6.9%	1,620,300
Medium commercial vehicles >3.5 t to <16 t	75,369	3.1%	70,282	3.0%	7.2%	54,900
Heavy commercial vehicles >16 t	316,908	13.0%	344,907	14.8%	-8.1%	275,800
Medium heavy buses & coaches >3.5 t	45,867	1.9%	39,953	1.7%	14.8%	32,600
EUROPA (EU, EFTA and UK)	2,440,167	100%	2,327,661	100%	4.8%	1,983,600

Light commercial vehicles: Electromobility falls short of expectations

In 2024, sales of light commercial vehicles in Europe (EU, EFTA and UK) rose slightly by 6.9% to just over 2 million units. Growth developed differently in the four key markets of this vehicle segment: Spain achieved a remarkable increase of 13.7%, followed by Germany with 8.4%. In contrast, growth in France and Italy was only 1.1% and 0.9%, respectively.

In the European Union, diesel continued to be the preferred choice of buyers of new vans in 2024. Registrations in this segment rose by 10.5% to 1,340,003 units, giving this type of drive a market share of 84.5%. In contrast, electrically chargeable vans saw a significant decline of 9.1%, so that their market share fell from 7.2% in the previous year to 6.1%. Sales of hybrid electric vans also declined, reaching a market share of only 2.0% in 2024.

Significant decline in medium and heavy commercial vehicles

In Europe (EU, EFTA and the UK), new registrations of heavy commercial vehicles developed negatively in 2024 at -8.1% – a trend that was partially offset by a 7.2% increase in registrations of medium-duty trucks. Including medium and heavy commercial vehicles, the four major markets of Germany (-6.9%), France (-2.9%) and Italy (-0.7%) recorded declines, while Spain achieved a remarkable increase of 12.0%.

In the EU, diesel trucks once again dominated the market with a share of 95.1% of new registrations. Registrations of electrically rechargeable trucks in the EU decreased by 4.6%, but their market share remained stable at 2.3% compared to the previous year. The results for electrically chargeable models varied across countries: Germany (57.4%), Italy (115.2%) and Sweden (59.6%) recorded very significant increases, but this was not enough to compensate for the significant decreases in France (-57.4%) and the Netherlands (-42.3%).

Sources: German Automotive Industry Association (VDA), European Automobile Manufacturers Association (ACEA), „Automobilwoche“, S&P Global, Raiffeisen Research, CLEPA

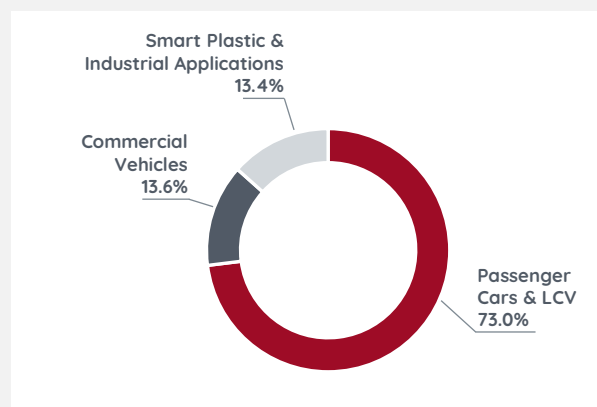
2. GROUP BUSINESS DEVELOPMENT AND STATUS

SALES REVENUES

The POLYTEC GROUP's consolidated sales revenues amounted to EUR 677.8 million in the 2024 financial year, up 6.6% or EUR 41.8 million on the previous year (EUR 636.0 million).

SALES REVENUES BY MARKET AREA

in EUR m	2024	Share	2023	2022
Passenger Cars & Light Commercial Vehicles	494.5	73.0%	470.6	443.8
Commercial Vehicles	92.3	13.6%	109.5	99.6
Smart Plastic & Industrial Applications	91.0	13.4%	55.9	58.0
POLYTEC GROUP	677.8	100%	636.0	601.4



In the Passenger Cars & Light Commercial Vehicles market area, the POLYTEC GROUP's strongest revenue area with 73.0% (previous year: 74.0%), sales of EUR 494.5 million were achieved in the 2024 financial year, up 5.1% or EUR 23.9 million on the previous year's figure (EUR 470.6 million).

The POLYTEC GROUP's sales revenues of parts for trucks declined in all quarters of the 2024 financial year. Overall, revenue in the Commercial Vehicles market area declined by 15.7% or EUR 17.2 million to EUR 92.3 million compared to the 2023 financial year. The share of this market area in total Group sales fell by 3.6 percentage points from 17.2% to 13.5%.

In contrast, sales in the Smart Plastic & Industrial Applications market area have shown a very pleasing development since the beginning of 2024. Sales revenues in the 2024 financial year increased very significantly year-on-year by 62.8% or EUR 35.1 million to EUR 91.0 million (previous year: EUR 55.9 million). The share of the Smart Plastic & Industrial Applications market area in the POLYTEC GROUP's consolidated sales revenues increased by 4.6 percentage points year-on-year to 13.4% (previous year: 8.8%).

SALES REVENUES BY CATEGORY

in EUR m	2024	Share	2023	2022
Parts and other sales revenues	602.7	88.9%	550.8	517.1
Tooling and other engineering sales revenues	75.1	11.1%	85.2	84.3
POLYTEC GROUP	677.8	100%	636.0	601.4

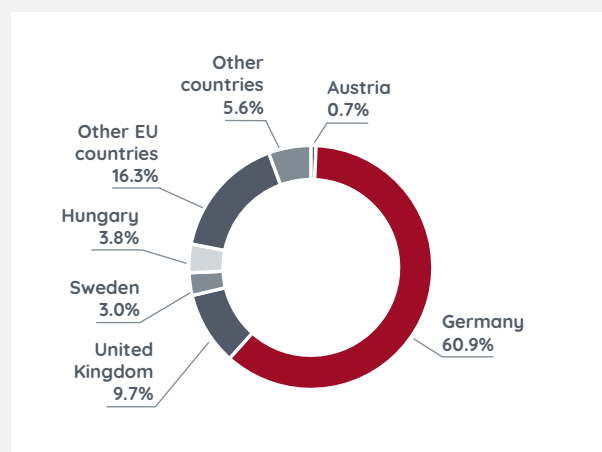
The POLYTEC GROUP recorded a year-on-year increase in sales in the serial production by 9.4% or EUR 51.9 million to EUR 602.7 million (previous year: EUR 550.8 million).

In contrast, tooling and other engineering sales revenues in 2024 declined from EUR 85.2 million to EUR 75.1 million compared to the same period of the previous year due to completed development projects and the postponement of projects by customers.

SALES REVENUES BY REGION

in EUR m	2024	Share	2023	2022
Austria	4.5	0.7%	3.1	4.2
Germany	412.9	60.9%	343.0	350.8
United Kingdom	65.9	9.7%	78.3	68.0
Sweden	20.2	3.0%	21.6	20.1
Hungary	26.0	3.8%	27.8	25.5
Other EU countries	110.1	16.3%	122.2	93.2
Other countries	38.2	5.6%	39.9	39.6
POLYTEC GROUP	677.8	100%	636.0	601.4

The breakdown of sales by region is determined on the basis of the customers location. Germany has always been the POLYTEC GROUP's region with the highest sales revenues, where 60.9% of total turnover were achieved in 2024. In Germany, sales revenues increased very significantly year-on-year by 20.4% or EUR 69.9 million to EUR 412.9 million. In contrast, all other regions, with the exception of Austria, recorded year-on-year declines.

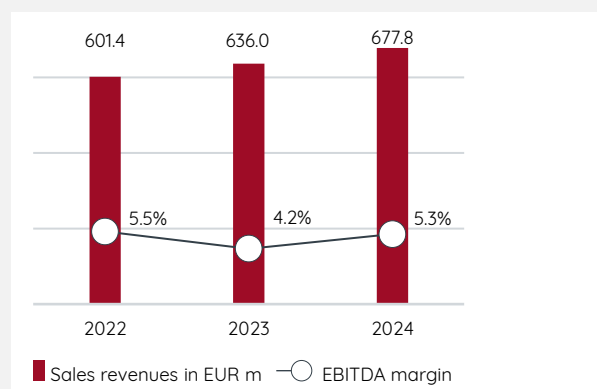


EARNINGS DEVELOPMENT

GROUP EARNINGS FIGURES

	Unit	2024	Change	2023	2022
Sales revenues	EUR m	677.8	6.6%	636.0	601.4
EBITDA	EUR m	35.7	33.9%	26.6	33.2
EBITDA margin (EBITDA/sales revenues)	%	5.3%	1.1%-pts.	4.2%	5.5%
EBIT	EUR m	3.9	157.3%	-6.7	0.7
EBIT margin (EBIT/sales revenues)	%	0.6%	1.7%-pts.	-1.1%	0.1%
Earnings after tax	EUR m	-6.9	50.9%	-14.1	-2.2
Average capital employed	EUR m	288.1	-7.8%	312.5	326.3
ROCE before tax (EBIT/average capital employed)	%	1.3%	3.5%-pts.	-2.2%	0.2%
Earnings per share	EUR	-0.29	54.7%	-0.64	-0.10
Dividend per share (proposal to the AGM)	EUR	0.00	N/A	0.00	0.10

SALES REVENUES AND EBITDA MARGIN DEVELOPMENT



MATERIAL EXPENSES

The POLYTEC GROUP's cost of materials totalled EUR 352.6 million in the 2024 financial year, rising by 4.4% or EUR 15.0 million compared to the previous year as a result of higher production volumes. The material ratio (material expenses/sales revenues) was 52.0%, down 1.1 percentage points compared to the previous year (53.1%).

PERSONNEL EXPENSES

In the 2024 financial year, the POLYTEC GROUP's personnel expenses increased by 6.1% or EUR 13.2 million from EUR 218.2 million to EUR 231.4 million. At 34.1%, the personnel ratio (personnel expenses/sales revenues) remained at the already high level of the previous year (34.3%).

EBITDA

As announced in the outlook for the 2024 financial year in the previous year, a significant improvement in the earnings situation was expected from the first quarter of 2024. The EBITDA of the POLYTEC GROUP improved by 33.9% or EUR 9.1 million from EUR 26.6 million to EUR 35.7 million in the 2024 financial year. The EBITDA margin increased by 1.1 percentage points year-on-year, from 4.2% to 5.3%.

AMORTISATION AND DEPRECIATION

Amortisation and depreciation of EUR 31.8 million were slightly below the previous year's level (EUR 33.4).

EBIT

After operating earnings before interest and taxes were significantly negative in both the third and fourth quarters of 2023, EBIT took a very significant turn positive in the first quarter of 2024.

The positive earnings trend continued in the second quarter of 2024. In contrast, sales revenues in the third quarter had fallen short of expectations due to short-term reductions in call-off volumes. The management of the POLYTEC GROUP had then adjusted the outlook for the full year 2024 and assumed an EBIT margin of around 1% at the time of publication of the report for the third quarter in mid-November 2024.

The POLYTEC GROUP's EBIT for the full financial year 2024 amounted to EUR 3.9 million, up EUR 10.6 million from the previous year's figure of minus EUR 6.7 million. The EBIT margin rose by 1.7 percentage points year-on-year, from minus 1.1% to 0.6%.

FINANCIAL AND GROUP RESULT

The financial result of the POLYTEC GROUP amounted to minus EUR 12.4 million (previous year: minus EUR 9.1 million), the increase was a consequence of the higher interest rate level. Earnings after tax improved year-on-year from minus EUR 14.1 million to minus EUR 6.9 million but were still negative. Earnings per share amounted to minus EUR 0.29 (previous year: minus EUR 0.64). The Board of Directors and Supervisory Board of POLYTEC Holding AG will therefore propose to the Annual General Meeting again this year that no dividend be paid for the 2024 financial year.

ASSETS AND FINANCIAL STATUS

INVESTMENTS

in EUR m	2024	Change	2023	2022
Investments in fixed assets	25.2	12.6%	22.4	24.0

In 2024, investments in fixed assets increased by 12.6% or EUR 2.8 million to EUR 25.2 million compared to the previous year, which was below the level of depreciation.

KEY GROUP BALANCE SHEET AND FINANCIAL FIGURES

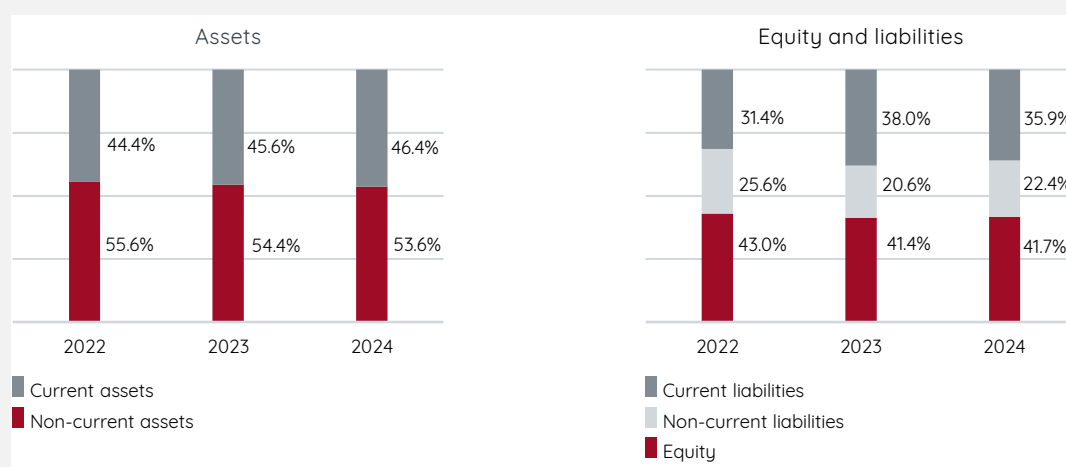
in EUR m	31.12.2024	Change	31.12.2023	31.12.2022
Equity	211.7	-4.0%	220.5	237.1
Equity ratio (equity/total assets) in %	41.7%	0.3%-pts.	41.4%	43.0%
Balance sheet total	507.5	-4.8%	533.0	551.2
Net working capital ¹⁾	23.0	-64.1%	64.0	53.6
Net working capital/sales revenues in %	3.4%	-6.7%-pts.	10.1%	8.9%

¹⁾ Net working capital = current non-financial assets minus current nonfinancial liabilities

The Group's balance sheet total amounted to EUR 507.5 million as at 31 December 2024, a decrease of EUR 25.5 million or 4.8% compared to the previous year's balance sheet date. The equity ratio was 41.7% as at the 2024 balance sheet date, 0.3 percentage points higher than on the previous year's balance sheet date. It has been at a solid level for many years.

Net working capital decreased by EUR 41.0 million or 64.1% to EUR 23.0 million compared to the 2023 balance sheet date. This is mainly due to the reduction in trade account receivables and other receivables as well as lower contract assets from customer contracts.

BALANCE SHEET STRUCTURE OF THE POLYTEC GROUP



	Unit	31.12.2024	Change	31.12.2023	31.12.2022
Net debt (+)/assets (-)	EUR m	42.4	-46.7%	79.5	59.8
Net debt (+)/assets (-)/EBITDA	Years	1.19	-60.1%	2.98	1.80
Gearing (net debt (+)/assets (-)/equity)	-	0.20	-44.4%	0.36	0.25

Net debt decreased by 46.7% or EUR 37.2 million to EUR 42.4 million compared to the 2023 balance sheet date. The halving is mainly due to the lower net working capital.

The notional debt repayment period was significantly reduced from around three to 1.2 years. The gearing ratio decreased from 0.36 at the 2023 balance sheet date to 0.20 as at 31 December 2024.

CASH FLOW

in EUR m	2024	2023	2022
Cash flow from operating activities	68.3	33.4	33.7
Cash flow from investing activities	0.6	-21.1	-21.4
Cash flow from financing activities	-52.7	-17.7	-26.8
Change in cash and cash equivalents	16.2	-5.3	-14.6
Closing balance of cash and cash equivalents	66.0	49.6	55.1

In the 2024 financial year, cash flow from operating activities doubled year-on-year from EUR 33.4 million to EUR 68.3 million.

The significant change in cash flow from investing activities is attributable to the sale of the fixed assets of POLYTEC Immobilien GmbH, mainly consisting of the plant and property in Hörsching.

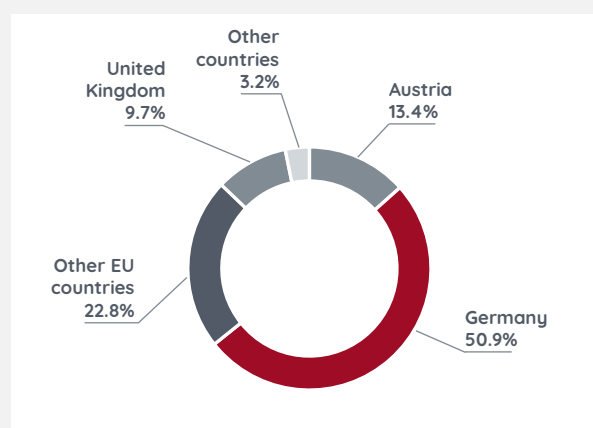
Cash flow from financing activities amounted to minus EUR 52.6 million (previous year: minus EUR 17.7 million). The change is mainly due to loan repayments and high interest payments.

As a result of proactive cash flow management, the cash flows could be flexibly adapted to internal and external requirements at any time and optimised accordingly. As of the balance sheet date of 31 December 2024, the POLYTEC GROUP disposed over cash and cash equivalents of EUR 66.0 million (previous year: EUR 49.6 million).

EMPLOYEES

The average number of employees (including leasing personnel, in full time equivalents - FTE) of the POLYTEC GROUP and their geographic spread in the last three years were as shown below:

in FTE	2024	Share	2023	2022
Austria	519	13.4%	496	463
Germany	1,972	50.9%	2,015	1,825
Other EU countries	884	22.8%	938	846
United Kingdom	375	9.7%	306	277
Other countries	127	3.2%	129	125
POLYTEC GROUP	3,877	100%	3,884	3,536
Sales revenues per employee in EUR k	174.8		163.7	170.1



The average number of employees in the Group (including leasing personnel) was 3,877 people (FTE), on a par with the previous year's average (3,884 FTE). The average leasing personnel quota totalled 11.4% (previous year: 15.3%). At EUR 174.8 k, revenue per employee (including leasing personnel) was above the previous year's level (EUR 163.7 k).

As at 31 December 2024, the POLYTEC GROUP employed 3,678 people (FTE including leasing personnel). The number of employees was thus 4.1% or 157 lower than in the previous year (3,835 employees).

3. REPORT ON PROBABLE GROUP DEVELOPMENT AND RISKS

OUTLOOK FOR THE DEVELOPMENT OF THE AUTOMOTIVE INDUSTRY

The automotive industry will continue to face profound challenges and changes in 2025. New geopolitical and economic uncertainties, such as the threatened US tariffs on imports from Mexico, Canada and Europe, are putting considerable strain on them. These tariffs could hit European manufacturers such as Stellantis and Volkswagen particularly hard, as they depend on production capacities in the countries mentioned. Individual OEMs are already examining whether a partial relocation of production from Europe to the USA could alleviate economic sanctions. At the same time, it is difficult to pass on the additional costs to consumers, as the sales market is already weakened due to high financing costs and strong price pressure.

In addition, there is the market for electric cars, which is developing much less dynamically than assumed just a few years ago. The important market of Germany recorded a significantly negative demand trend in 2024, which could have an impact on sales prices in 2025 and put additional pressure on OEMs.

All of this, of course, can also have a negative impact on the automotive supply industry, which is already looking back on a difficult year in 2024. Compared to 2023, there were 56% more insolvencies among suppliers in the past year, which even exceeded the Corona year 2020. For many competitors, 2025 could be a year of existential decisions. Experts predict further consolidation in the market, in which weaker companies could exit the competition.

However, there are also positive signs for the coming years. Due to the economic importance of the automotive industry for Europe, the EU Commission invited to a first EU car summit at the end of January 2025 to discuss concrete measures to improve the framework and competitive conditions. In the long term, electromobility in particular is likely to remain a key growth driver for the industry.

Despite challenges such as the reduction of government subsidy programs and rising production costs, demand for electric vehicles is expected to continue to grow. This development can offer potential, especially for innovative suppliers who are committed to electromobility and sustainable technologies at an early stage.

Sources: European Automobile Manufacturers Association (ACEA), „Automobilwoche“, Raiffeisen Research, German Automotive Industry Association (VDA)

OUTLOOK FOR THE GROUP'S EARNINGS DEVELOPMENT

From today's perspective, the management of POLYTEC Holding AG expects planned consolidated sales revenues in the range of EUR 650 million to EUR 700 million for the 2025 financial year and is targeting an EBIT margin of around 2% to 3%.

The measures introduced in previous periods to increase operational efficiency are showing improvements and are expected to take full effect in the course of the year.

In order to optimise the strategic orientation and future economic performance of the POLYTEC GROUP, work is being done to adapt the current production and service portfolio. As a result, the earnings situation is expected to improve further in the medium term.

Due to the significant reduction in net debt and improvement in the financial result in conjunction with an assumed further decline in interest rates, a positive result after tax is targeted for the 2025 financial year.

However, achieving this outlook is subject to uncertainty. The automotive industry continues to be characterised by a volatile market environment, uncertain development of demand and the faltering transformation towards e-mobility.

The POLYTEC GROUP has a strong market position within and outside the automotive sector and is confident for the future.

4. RISK REPORTING AND FINANCIAL INSTRUMENTS

Within the scope of its business activities, the POLYTEC GROUP is subject to a variety of risks, which relate directly to entrepreneurial transactions. Risk management is therefore an integral part of POLYTEC's strategy and all of its business processes.

The shift towards e-mobility had already stalled in 2023, and this unsatisfactory development had further manifested itself in 2024. The planned sales figures for newly registered electric vehicles could not be realised by the OEMs. Governments are cutting back on subsidies or tax incentives for switching to electric cars, such as the two major car markets of Germany and France. The price war and market displacement are increasingly noticeable and pose significant challenges for European companies in particular in the medium and long term. Suppliers from outside the EU, especially from China, are massively pushing into the European market and even want to produce in Europe to avoid tariffs.

The automotive industry has slowed down significantly from the second half of 2024, globally, but especially in Europe. The major German car manufacturers have to accept massive slumps in their vehicle sales, especially in China. Experts and analysts in the industry speak openly of a veritable and medium-term crisis.

The production capacities built up in Europe in recent decades have long since ceased to be economically proportionate to the current or expected future demand for vehicles. The OEMs see no economic alternatives to capacity cuts in the form of plant closures and other measures such as staff reductions and wage cuts, which are naturally excluded by union representatives. This stalemate continues to carry the risk of strikes and repercussions on supply chains.

The suppliers who are closely linked to the OEMs, and often dependent on them, suffer transitively or are exposed to the negative effects even more intensively due to their significantly weaker economic situation. During 2024, profit warnings as well as announcements of plant closures and staff layoffs piled up. An increasing number of insolvencies in the automotive supply industry can also still be seen.

Although national inflation rates in Europe declined, they remain volatile. Permanent or temporary tariffs threatened by various economic regions are also unsettling the

markets and continue to pose a global economic risk to inflation. Despite the gradual reduction of key interest rates in Europe, the still high interest rate level represents a financial burden for companies and private individuals. A low or even sharper decline in consumer behaviour represents a great deal of uncertainty for a number of industries – including the automotive industry.

The geopolitical risks associated with the war in Ukraine, the unrest in the Middle East and other regions cannot be assessed. Any global effects due to the economic, spatial and defence policies of the re-elected US president are completely unclear.

The European Union is trying to prepare for all these developments and to develop and implement programmes to strengthen defence and the economy. Germany, one of Europe's most important business regions, which is in recession, is also trying to reposition itself politically and subsequently economically. The outcome of the formation of the government and the consequences for future German economic policy, in particular the effects on the all-important automotive industry, are currently open.

At present, it is thus impossible to fully assess how significant the influence of the aforementioned risks and uncertainties will be upon the sales and earnings development of the POLYTEC GROUP in the future and whether any further risks and uncertainties will arise. Whatever the case, the management is monitoring developments closely and has initiated numerous measures to keep the financial impact upon the POLYTEC GROUP to a minimum.

With regard to detailed risk reporting, reference is made to the explanations in item G. 2 of the notes to the consolidated financial statements, in order to avoid textual redundancies.

5. RESEARCH AND DEVELOPMENT REPORT

In the 2024 financial year, the POLYTEC GROUP spent around EUR 575 k on research and development activities (previous year: EUR 620 k).

The development of new products and applications, primarily for the automotive industry, constitutes one of the POLYTEC GROUP's key competences. As a strategic cornerstone, it is an integral part of the group's foundations and over the past decades has made a major contribution to its success. In the extensive and labour-intensive new and further developments, the focus is always on the requirements of both long-standing customers and the development of new applications for newly acquired customers outside the automotive industry.

The POLYTEC GROUP endeavours to impress its customers proactively at any early stage with innovative applications and technology combinations, as well as complete product and manufacturing concepts, which are also aimed at strengthening group competitiveness. In this connection, the group does not think in terms of technologies, but rather solutions and thus convinces during the engineering phase with an imposing depth of value added that extends from material production and concept development to simulation. POLYTEC's engineering staff develop and plan innovative solutions in a diversity of plastic technology areas on the basis of comprehensive experience and profound specialist knowledge.

In combination with the latest production know-how, an enormous diversity of materials and processes ranging from injection moulding and various fibre composites to polyurethane applications enables the POLYTEC GROUP to supply its customers with tailor-made solutions that offer top quality at an attractive price-performance ratio. Apart from the integration of an increasing number of functions in plastic parts and the ongoing expansion of the possibilities for the substitution of metals, the development of new materials and processes aimed at making plastic parts still lighter and more stable represents one of the POLYTEC GROUP's core activities.

The experience gathered by POLYTEC during the manufacture of highly complex vehicle parts and systems can also be utilised in the Smart Plastic & Industrial Applications area. Not merely development, material and production know-how is involved in this connection, but also logistics, product complexity and operational excellence. Above all, this makes POLYTEC's capabilities interesting for customers seeking solutions for products subject to stringent demands regarding surfaces or strict technological requirements, as well as multi-stage production processes and complex logistical problems. In this connection, the POLYTEC GROUP possesses both the necessary competence and the required resources.

The topic of e-mobility offers clear-cut opportunities for the POLYTEC GROUP and in recent years, its development engineers have placed a special focus on the question as to which components in an e-vehicle can be manufactured from lightweight materials. This is because in view of the heavy batteries required for the drive system, e-powered vehicles should weigh as little as possible in every other regard.

In many cases, plastic components such as vehicle underbodies, battery boxes and acoustic solutions meet this demand for lightness to perfection. Conversely, the trend towards e-mobility also confronts POLYTEC with fresh challenges, as the components for e-vehicles partly require utterly different solutions to those needed by vehicles with conventional drive systems. In e-vehicles the focus is no longer on engine noise attenuation, but rather the minimisation of exterior and road noise. Therefore, concepts have to be newly evolved and developed.

6. KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The Board of Directors is responsible for implementing an appropriate internal control and risk management system for the accounting process and financial reporting. Suitable organisational measures and controls ensure that all the relevant legal requirements necessary for complete, correct, timely and orderly entries in the books and other records are met.

The entire process, from procurement to payment, is subject to strict regulations and group-wide valid guidelines that are intended to prevent any related risks such as CEO fraud scenarios. These measures and rules include, among others, the separation of functions, signature directives and signatory powers for payment authorisations on an exclusively collective basis that are restricted to a small number of employees, as well as system-supported checks by the software employed.

The most important management control instrument is the planning and reporting system, which has been implemented across the group. In particular, this includes medium-term planning with a three-year horizon, annual budget planning and monthly reporting. The promptly issued monthly financial reports, which are drawn up by POLYTEC GROUP Financial Services, show the current development of all group companies. The content of these reports has been standardised throughout the group and apart from an income statement and balance sheet, also contains the main extrapolated key indicators and a deviation analysis.

The Board of Directors is constantly kept up to speed regarding all relevant issues and risks by means of the uniform, group-wide financial reporting system and ad hoc reports on major events. At its meetings, which are held at least once a quarter, the Supervisory Board is informed about current business developments, operative planning and medium-term group strategy. In special cases the Supervisory Board is also provided with direct and immediate information. Among other topics, the audit committee meetings consider the internal control and risk management. During its twice-yearly meetings, amongst other matters the Audit Committee assesses the effectiveness of the internal control and risk management systems.

7. DISCLOSURES REGARDING CAPITAL, SHARE, VOTING AND CONTROL RIGHTS, AND ANY RELATED OBLIGATIONS PURSUANT TO § 243A OF THE AUSTRIAN COMMERCIAL CODE

As at the balance sheet date of 31 December 2024, the share capital of POLYTEC Holding AG remained unchanged at EUR 22.3 million divided into 22,329,585 bearer shares with a nominal value of EUR 1.00 each. The group has no other types of shares. All shares have been admitted to trading in the prime market segment of the Vienna Stock Exchange.

As at the balance sheet date of 31 December 2024, one stockholder held an interest of more than 10.0% of the share capital of POLYTEC Holding AG. The stockholder in question was MH Beteiligungs GmbH with 25.61%. In addition, the Board of Directors was not aware of any shareholders owning more than 10.0% of the share capital, as at the balance sheet date. No stockholder disposed any special rights of control.

VOTING RIGHT NOTIFICATIONS – STOCKHOLDER STRUCTURE

POLYTEC Holding AG received three voting right notifications from shareholders pursuant to § 130 of the 2018 Austrian Stock Exchange Act (BörseG), which related to the financial year 2024. The following table shows the voting rights of the legal entity subject to a reporting obligation following the transaction:

Personage required to provide notification	Address/State	Date	Reason	Absolute voting rights	Relative voting rights
LLB Invest Kapitalanlagegesellschaft m.b.H.	Vienna/Austria	13.09.2024	Disposal	1,024,444	4.59%
MH Beteiligungs GmbH	Hörsching/Austria	19.11.2024	Purchase	5,718,734	25.61%
HUEMER Invest GmbH	Hörsching/Austria	19.11.2024	Disposal	846,075	3.79%

Every change in material participations about which POLYTEC Holding AG was informed after the 2024 balance sheet date can be called up from the Investor Relations, News – Major Holdings section of the company's website www.polytec-group.com

MANAGERS' TRANSACTIONS

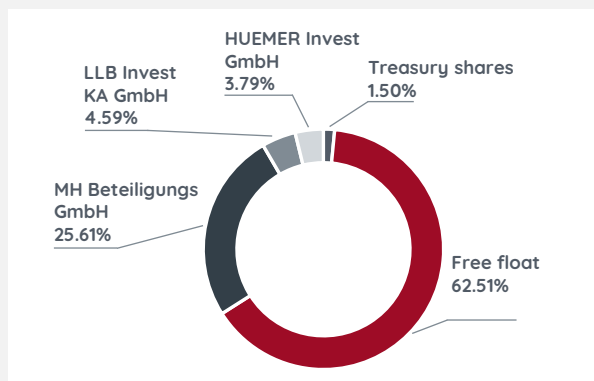
During the 2024 financial year, POLYTEC Holding AG was informed twice of managers' transactions in accordance with Article 19 MAR and published the required notifications on these events in due time. The transactions are shown in the table below:

Person obligated to report	Position	Date	Transaction	Share volume	Price per share in EUR
MH Beteiligungs GmbH	Markus Huemer, Chairman of the Board	19.11.2024	Purchase	2,066,000	2.070
HUEMER Invest GmbH	Friedrich Huemer, Chairman of the Supervisory Board	19.11.2024	Disposal	2,066,000	2.070

Apart from these two events, during the 2024 financial year POLYTEC Holding AG received no further reports regarding managers' transactions from persons discharging managerial responsibilities within POLYTEC Holding AG or from persons (natural or legal) closely

associated with them. An overview of managers' transactions, including those that took place after the balance sheet date can be called up from the website of the Vienna Stock Exchange www.wienerborse.at.

As at 31 December 2024, on the basis of the 22,329,585 issued shares, the shareholder structure of POLYTEC Holding AG had the following form:



The current composition of the stockholder structure can be called up from the Investor Relations, Share section of the company's website www.polytec-group.com

TREASURY SHARES

During the 2024 financial year, the company did not purchase or sell any treasury shares. On the balance sheet date of 31 December 2024, POLYTEC Holding AG thus held an unchanged total of 334,041 treasury shares, which represented a holding of roughly 1.5% of share capital. The stock market value of these shares on the balance sheet date amounted to around EUR 0.7 million (previous year: EUR 1.2 million) and their acquisition value to approximately EUR 1.9 million. The authorisation of the Board of Directors to purchase treasury shares, which is based on a resolution passed by the 23rd Annual General Meeting on 9 June 2023, remains valid until 8 December 2025.

AUTHORISED CAPITAL

Pursuant to a resolution of the 22nd Annual General Meeting on 1 July 2022, authorised capital (§ 169 of the Austrian Stock Corporation Act) was approved. Following the consent of the Supervisory Board, the Board of Directors is authorised to increase share capital by up to a nominal amount of EUR 6,698,875.00 through the issue of new shares at a minimum issue price of EUR 1.00 each for a maximum period of three years from the date of entry in the commercial register, i.e. until 10 August 2025. The issue of new shares may also be carried out with the exclusion of shareholders' subscription rights if the share capital is increased in return for a contribution in kind of companies, operations, part operations or participations in one or several companies.

OTHER INFORMATION

No indemnification agreements exist between the company and the members of the Board of Directors in the eventuality of a change in control. Equally, there are no indemnification agreements for the Supervisory Board members and employees or any other major agreements which would be affected by a change in control or a public takeover bid. There are no provisions in the Articles of Association that go beyond the statutory provisions for the appointment of members of the Board of Directors and the Supervisory Board or are intended for amending the Articles of Association.

The POLYTEC Holding AG website is entered in the company register under www.polytec-group.com

Hörsching, 1 April 2025

The Board of Directors of POLYTEC Holding AG

Markus Huemer
Chairman of the Board of Directors – CEO

Peter Bernscher
Deputy Chairman of the Board of Directors – CCO

Martin Resch
Member of the Board of Directors – COO

Markus Mühlböck
Member of the Board of Directors – CFO



8. SUSTAINABILITY STATEMENT 2024

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1. GENERAL INFORMATION

PREAMBLE

Sustainable management is one of the fundamental pillars of the business model of the POLYTEC GROUP. Sustainability is of particular importance for the strategy of future corporate development, whereas the interests of our customers, employees, the public, the employees in our supply chain, and the environment must be balanced with our own performance on the other hand. Sustainability encompasses the dimensions of ESG, environment, social (social justice), and governance (responsible corporate management).

Sustainability reporting is an essential part of our holistic corporate communication. We want to present ourselves successfully and credibly to our customers and competitors. We are convinced that our actions as a responsible company will contribute to long-term business success. For this reason, we have been dealing intensively with ESG issues since 2022 with the publication of our first sustainability strategy and the POLYTEC's path of decarbonization. Our company has set the goal of becoming climate-neutral in production by 2035 (Scope 1 and 2) and has initiated appropriate measures to achieve this goal. Under the title "Go Neutral 2035", the company aims to completely convert its production to CO₂ neutrality over the next ten years.

"GO NEUTRAL 2035", Non-Financial Strategic Goals

As a company whose basic material consists of plastics, the utilization of resources in addition to energy consumption have a significant impact on the environment. Against this background, POLYTEC has been taking genuine measures to conserve raw materials and energy since 2020 and tracks key figures on the respective achievement on an annual basis. Environmental and climate protection are essential and increasingly important components of POLYTEC's business processes. The measures set up to reach our environmental goals are to be continuously implemented and revised in the coming years as part of the POLYTEC GROUP's environmental and energy management system. The sustainability strategy developed as a part of this process in the 2022 financial year contained eight strategy areas. On this basis, corresponding key figures and target values for the period up to 2035 were developed.

To achieve these goals, the sustainability strategy was integrated into POLYTEC's existing processes and systems, and a new sustainability department was created, which reports directly to the Board of Directors. Moreover,

sustainability has also been integrated into the engineering activities of the POLYTEC GROUP, so that the company's sustainability goals are also considered in every development project.

In order to achieve its overarching goal – carbon neutral production by 2035 – POLYTEC will continue to concentrate on the three focus areas of production, energy and people in the coming years. In the focus areas of energy and production, the Group identified the greatest levers on the path to achieve CO₂ neutrality, whereas the focus area of people is primarily on implementation of measures to promote skilled workers with the right mindset, know-how, and commitment.

In the 2024 financial year, a comprehensive double materiality analysis was carried out. In this context, the sustainability strategy "Go Neutral 2035" with its three focus areas was further adapted and the three strategic goals were more defined more specifically.

1. Focus field production

With this strategic goal, POLYTEC intends to take even greater account of the holistic approach in the future, so that the Group pays attention not only to careful consumption of all raw materials but also increase recycling to save and make optimal use of available resources along the entire production process. This includes particularly resource savings that POLYTEC has already achieved through the lightweight design and functional integration of components. The company also plans to reduce the consumption of raw materials by increasing the use of regranulates, using modern dosing systems, improving reject rates, and changing the chemical composition of the materials. To achieve this goal, a project of optimization of recycling and waste management is currently planned across corresponding departments.

In the past financial year, the focus was on measures to reduce natural gas consumption through targeted investments, optimization of plants and processes, certification of energy management system in accordance with ISO 50001, and the further expansion of an analysis and reporting system software supporting real time collection of electricity and gas consumption data.

2. Focus field energy

As part of the "Go Neutral 2035" decarbonization path, the CO₂ balance of the POLYTEC GROUP is expected to be improved gradually in the coming years. As the importance of sustainability rises significantly, POLYTEC formulated

the reduction of environmental emissions as a strategic corporate goal as early as 2020. To this end, CO₂ emissions (Scope 1 and Scope 2) of the entire group were calculated and evaluated for the first time in 2020. From this evaluation, measures to reduce emissions were planned and implemented, and the results were measured. Moreover, the targets are currently being reassessed and the measures revised from the current financial year onwards, considering the Scope 3 data is now available through ESRS reporting.

After having optimized key energy consumption across plants in various projects in recent years, and thus achieving considerable savings, POLYTEC concentrated on the further expansion of the photovoltaic systems in Lohne and Hörsching in the past financial year.

3. Focus field people

In addition to challenges through the market environment, the competition for the best employees is also becoming increasingly fierce. With a wide range of offers for personal development and an attractive working environment, POLYTEC secures a solid position in a highly competitive job market. However, the focus is not only on the acquisition and retention of talent, but also on employee's health and safety, diversity and fair working practices, as well as corporate values and culture. POLYTEC has set the goal of further development and improvement of its HR strategy, and in addition to the process optimization already made in the areas of on- and offboarding, of further focusing on the employees and on further advance topics such as equality, etc. In addition, the development of appropriate policies and of measurable targets, such as in the areas of employee fluctuation and absence management, are at the forefront of the upcoming efforts.

ESRS 2 GENERAL INFORMATION

Basis for preparation

Disclosure Requirement BP-1 – General basis for preparation of sustainability statement

This non-financial report, referred to as the "Sustainability Statement", has been implemented in accordance with Section 267a of the Austrian Commercial Code (UGB) and in accordance with the requirements of the Sustainability and Diversity Improvement Act (NaDiVeG). In addition, the non-financial report was prepared voluntarily in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD).

The voluntary, independent audit of the double materiality analysis and the transition of data points in accordance with ESRS was carried out as of 31 December 2024 by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, in the period from August to October 2024 (preliminary audit) and from October 2024 to April 2025 (main audit)

The sustainability statement is part of the company's Group Management Report. POLYTEC reports on the disclosure requirements of the ESRS within a single, separately identifiable section of the management report and discloses all necessary or material information on sustainability-related impacts, risks and opportunities in accordance with the ESRS.

According to Section 267a of the Austrian Commercial Code (UGB), certain topics must be covered in the non-financial statement, if they are relevant to understanding the impact of the company's activities. In this report, these issues are addressed in the following chapters: E1 to E5 (environmental issues), S1 and S2 (employee matters), as well as S1 to S4 (social and human rights), and G1 (fight against corruption and bribery).

The consolidated sustainability statement of POLYTEC Holding AG covers all operating companies with production sites within the POLYTEC GROUP. Non-operating subsidiaries – including real estate, management, holding and investment companies – have been excluded for reporting, since they do not cause material emissions, waste or pollution, nor do they entail any relevant impacts, risks or opportunities.

The assessment of sustainability impacts during the double materiality analysis covered the entire value chain. In the upstream value chain, the focus was on the areas resource procurement and emissions, while in the downstream value chain the analysis included further product uses to the end of its life cycle, consumers and customers in the automotive industry, as well as the end customers. The focus here was on the analysis of possible (positive) health or safety effects for end customers resulting from the smart design of POLYTEC products.

Developed policies, measures and targets are limited to the company's own core processes and do not extend to the entire upstream and downstream value chain. Therefore, the aim was to define specific measures and targets along the entire value chain – from procurement to production and sales.

ESG-compliant procurement of products and services is ensured in accordance with the provisions of the German Supply Chain Due Diligence Act (LkSG). POLYTEC achieves added value through the sale of products for the automotive and food industries as well as through the development and manufacture of tools for production plants and machines. The main sources of income are sales revenues (see E.1 Sales and segment reporting and E.2 Other operating income in the consolidated financial statements).

The possibility not to disclose information on intellectual property, know-how or innovation results, as well as the exemption provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU, was not used in this report.

Disclosure obligation BP-2 – Disclosures in relation to specific circumstances

For all analysis as a part of the reporting, the time horizons defined in ESRS 2 Section 6.4 were applied.

The company is subject to the requirements of the Sustainability and Diversity Improvement Act (NaDiVeG), whereby the mandatory disclosures and information in this non-financial statement are disclosed in accordance with the CSRD and the ESRS. The figures do not include the previous year's numbers, which are published in the consolidated financial statements for the 2023 financial year.

During the first-time implementation of the Scope 3 emissions calculation, some gaps in the primary data were identified, which required the use of estimates and approximations. This applies to the following categories:

- Employee commuting (Scope 3.7): There is no information on the type of transport used for commuting, thus it was assumed on the basis of a German study
- Transport and distribution (Scope 3.4 and 3.9): – no direct information about the type of transport and weight of the transported cargo, thus an approximated value was used for calculation
- Use of products sold (Scope 3.11): Assumptions on the average weight of cars and trucks and the average lifespan of vehicles in kilometres
- Recycling at the end of life of the products (Scope 3.12): All products sold (automotive) are assumed to be disposed or recycled in the production countries

In addition, there is a small portion of approximation in the market-based calculation of Scope 2 emissions (see ESRS E1 DR E1-6). For a few small plants, no primary data could

be provided by their energy supplier, therefore national average data had to be used. Moreover, no quantities of packaging material could be collected for 2024 in relation to resource inflows.

The degree of precision of the Scope 3 calculation is currently classified as medium. Where possible, primary data from the company was used, yet it could not be fully collected for all categories and for all 21 plants. The Scope 2 calculation is classified as accurate, because the primary data was almost completely available. Only the data from a few smaller plants have slight uncertainty, which is to be resolved in the next reporting year.

Due to the first-time reporting, there is no obligation to present corrections for previous reporting periods in accordance with ESRS 1 Section 7.5.

POLYTEC makes use of the possibility to include information by reference in accordance with Section 9.1 of the ESRS 1. The table below reveals which information is included by reference:

Public disclosure requirement	Datapoint	Reference
BP-1 – General basis for preparation of sustainability statements	ESRS 2-BP-1.5c	Consolidated Financial Statements - Revenue and segment reporting and E.2 Other operating income
GOV-1 The role of the administrative, management and supervisory bodies	ESRS 2 GOV-1.21	Corporate Governance Report
SBM-1 – Strategy, business model and value chain	ESRS 2-SBM-1.40b	Consolidated Financial Statements - Income statement
E1-5 – Energy consumption and mix	ESRS E1-5.40,41,43	Consolidated Financial Statements - Income statement

POLYTEC exceeds the threshold of 750 employees, therefore the disclosure of information according to Annex C of ESRS 1 is not omitted. As part of the double materiality analysis, all topic-specific standards of the ESRS were analysed and as result, only ESRS E3 was classified as non-material.

Governance

Disclosure Requirement GOV-1 – The role of administrative, management and supervisory bodies

The Board of Directors of POLYTEC Holding AG consisted of three members in the 2024 financial year. The Supervisory Board consisted of four male members and one female member, with Supervisory Board member Reinhard Schwendtbauer resigning from his position on the Supervisory Board of POLYTEC Holding AG early with effect from 16 December 2024, due to his appointment as Managing Director of Raiffeisenlandesbank OÖ and the associated Fit & Proper provisions. At the end of the reporting year, the Supervisory Board consisted of four shareholder representatives and no employee representative. All members have the necessary expertise, whether in the financial sector, in the automotive industry, or in the special compliance environment of the POLYTEC GROUP.

The Board of Directors consists exclusively of male members, while the Supervisory Board consisted of three male and one female member as of December 31, 2024. This corresponds to a proportion of women on the Supervisory Board of 25% and a share of 14.29% in the Board of Directors and Supervisory Board combined. Until mid-December 2024, the Supervisory Board consisted of four non-independent and one independent member, bringing the proportion of independent members to 20%. Since the resignation of Mr. Reinhard Schwendtbauer, the Supervisory Board has consisted entirely of non-independent members. See further information on this in the Corporate Governance Report.

The Chairman is responsible for the company's strategy by the rules of procedure, but the impacts, risks and opportunities relating to the corporate strategy and risk management are jointly monitored and tracked by the full Board of Directors. Supervision of these tasks is ensured by regular discussions among the members of the Board of Directors and the Supervisory Board. In the Supervisory Board, the Audit Committee is responsible for monitoring the risky situation and risk management.

In the past financial year, the CEO was responsible in his dual function for Corporate Strategy, Investment Management, Legal Affairs, IT, Corporate Communications, Operations, all sustainability agendas, Project Management, and Operational Excellence. The CCO performed the tasks for sales, engineering, marketing, purchasing and human resources. The CFO ensured the agendas of finance, controlling, treasury, accounting and

investor relations. This division and interlinking of sustainability agendas in all three Executive Board departments require close cooperation and coordination between all Executive Board members. The further development and orientation of the POLYTEC sustainability strategy is ensured by regular coordination with the Sustainability Board and the participation of the entire Board of Directors and the managers responsible in the company. From the 2025 financial year, more enhanced regular reporting of the measures and targets to the Audit Committee of the Supervisory Board of POLYTEC Holding AG is planned.

The reporting obligations are fulfilled through regular consultations between the Board of Directors and the chairman of the Supervisory Board about corporate strategy, business development, reports to the Audit Committee on the ongoing monitoring of the risk situation and risk management. In addition, compliance and sustainability issues are reported to the Audit Committee at least twice a year at the regular meetings.

The current sustainability strategy is being further developed at the operational level by the Directors of Engineering, Operations Services, and Legal & Compliance with the support of experts from the POLYTEC GROUP's specialist departments. The relevant data and key figures are collected via ESG dashboards, and the data points set up according to CSRD and validated with employees from all departments.

The POLYTEC risk management system also maps the risks of key sustainability issues. They are determined in accordance with the requirements of the POLYTEC GROUP's risk management manual, addressed in the business review meetings in accordance with the sustainability targets, and followed up by the responsible managers in day-to-day business. The Board of Directors is informed about any risks arising from operations through the monthly business review meetings. In recent years, specific information such as primary data and key figures for CSRD reporting in accordance with the sustainability strategy established in 2022, e.g. energy consumption development or data on employee safety, have been integrated into regular management reporting.

The POLYTEC Corporate Sustainability Team prepares relevant sustainability information and reports it to the Board of Directors via the Director Legal & Compliance. Since the introduction of this department in 2022, sustainability-related expertise has been continuously processed and transported to the governing bodies. The

areas of responsibility include the operational introduction of the CSRD in the POLYTEC GROUP, the continuous improvement of the sustainability ratings for various sustainability platforms required by the OEM's, and the project management for the publication of the first sustainability report, including all associated preparatory and accompanying work.

The Board of Management monitors targets and progress in material impacts, risks, and opportunities, and monitors progress in strategy implementation and risk management in close cooperation with the Supervisory Board. The Board of Directors continuously reviews the achievement of targets, and the impact associated with the sustainability strategy and other business aspects.

Disclosure GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The double materiality analysis for the 2024 financial year was carried out for the first time at the turn of the year 2023/2024 with the help of external experts. The Board of Directors and the Supervisory Board were regularly informed about the results and the main impacts, risks and opportunities (IRO) of the analysis. During the realignment according to CSRD in the 2024 financial year and the first-time implementation of the double materiality analysis, the processes for monitoring, decision-making and risk management were adjusted. This comprehensive and long-term transformation process is still in its early stages. No compromises had to be considered in the initial survey.

The double materiality analysis identified 32 material impacts and 7 risks or opportunities. The result is broken down in detail in the ESRS 2 SBM-3. The Board of Directors focused primarily on those IROs that affect the company's own business area and have a very high impact potential according to the double materiality analysis:

- Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions
- Reduction of greenhouse gas emissions through self-generated renewable energy
- Depletion of non-renewable resources using petroleum-based raw materials
- Conservation of resources through the manufacture of products according to circular principles
- Generation of waste through rejects, cutting leftovers and consumption of auxiliary material in production and administration
- Reduction of the amount of waste using production waste
- Ensuring fair treatment of employees
- Stressful working hours as well as stress from production processes for employees
- Health damage caused by accidents at work and health hazards to employees
- Further training and competence development of employees
- Protection of whistleblowers
- Long-term business partnerships through fair business and payment practices

Disclosure requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

At present, no sustainability-related incentive systems have been agreed in accordance with the current remuneration guideline and therefore no sustainability-related considerations had to be included in the evaluation of the board of director's remuneration.

Disclosure Requirement GOV-4 – Statement on due diligence

The following overview list shows the sections in which the core elements of the due diligence obligations can be found, i.e. the processes installed in the POLYTEC GROUP for the identification of actual and potential negative impacts on the environment and people related to the company's business activities.

List of information provided on the due diligence process

Core elements of due diligence	Reference in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 SBM-2 – Interests and views of stakeholders ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities ESRS 2 MDR-P – Policies adopted to manage material sustainability matters Topical ESRS: reflecting the different stages and purposes of stakeholder engagement throughout the due diligence process
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A – Actions and resources in relation to material sustainability matters
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M – Metrics in relation to material sustainability matters

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

The current risk management system of the POLYTEC GROUP can identify environmental, social and economic factors that may influence business operations or pose a risk to business activities. At the beginning of 2024, a double materiality analysis was carried out for the first time along with the climate risk and vulnerability analyses at the production sites. From the current financial year onwards, these environmental and energy aspects are to be reassessed annually, and targeted measures are to be derived and considered in the POLYTEC GROUP's risk manual.

The already established processes in the internal control system were used to collect the first data points, and further interfaces for the digitization of the processes and data collection have already been established. A strategic supplier management tool with AI-supported analysis functions set up in the 2023 financial year and supervised by procurement ensures the early identification of corresponding risks in the supply chain in compliance with due diligence obligations.

POLYTEC uses a numerical evaluation system (0–5) to quantify the impact of risks and opportunities for the double materiality analysis. Prioritization is based on the potential financial impact in order to manage strategically

relevant risks. As results, the following key risks were identified:

- Decline in sales (E1): Changes due to e-mobility, changed user behaviour and higher conversion costs
- Material use (E5): Restriction of materials that are difficult to recycle (SMC, GMT, LFT)
- Raw material prices & availability (E5): Rising costs for non-renewable raw materials and recycled raw materials
- Personnel costs (S1): Unexpected wage increases during the project period

POLYTEC counters these risks through adapted procurement strategies, the development of technological innovations, and a continuous adaptation of the product portfolio. Details can be found in the policies, measures and targets of the respective topic-specific areas.

The results of the double materiality analysis and the climate risk and vulnerability analysis flow directly into the strategic planning and operational management of the Management Board and the Sustainability Board. Sustainability risks are integrated into relevant business processes, monitored and addressed via monthly business review meetings, regarding product development, new procurement strategies, and investment decisions.

Through the annual assessment of environmental and energy aspects within the framework of ISO 14001 and ISO

50001 certification, risk minimization measures are derived directly from the production sites. In addition, the supplier management tool used at POLYTEC facilitates the early identification of risks in the upstream value chain or in procurement management.

The results of the double materiality analysis and the stakeholder survey were reported to the Audit Committee for the first time in the 2024 financial year.

Strategy

Disclosure Requirement SBM-1 – Strategy, business model and value chain

POLYTEC develops and produces highly complex plastic solutions that are individually tailored to various industries and customer requirements. The company not only supplies well-known customers in the automotive and commercial vehicle industry but also serves markets outside this sector. In addition, the service portfolio also includes downstream processes such as painting, assembly, and just-in-time or just-in-sequence deliveries.

POLYTEC pursues a long-term strategy to strengthen its market position in the plastics industry through innovative, sustainable solutions and low-CO₂ value creation. Compared to metal, plastic solutions enable a significant reduction in energy consumption over the entire product life cycle. Through material efficiency, recyclability, and durable products, as well as circular economic approaches, POLYTEC contributes to achieving global sustainability goals.

In the reporting period, the markets and customer groups remained largely stable, while only individual customer segments' demand and sales have been changed. At present, there are no sustainability goals explicitly tailored to individual product groups or services, customer categories or specific geographic markets. Sustainability goals are implemented at the company level and along with the entire value chain.

Regulatory requirements, market changes and customer requirements for sustainably produced products are constantly increasing, which is why sustainable product solutions are becoming increasingly important. POLYTEC meets these challenges through various approaches:

- Decarbonization of production: Switch to renewable energy sources and increasing efficiency in manufacturing.

- Innovative materials: Development of recyclable, resource-saving plastic solutions.
- Sustainable supply chains: Introduction of stricter sustainability criteria for suppliers and expansion of the circular economy.
- Transparent reporting: Further development of sustainability reporting in accordance with CSRD and ESRS standards.
- Overarching cooperation: Interdisciplinary cooperation between a wide range of specialist departments, as well as with research institutions and universities.

The POLYTEC GROUP does not generate any revenues from the fossil fuel sector such as coal, oil, and gas. The POLYTEC GROUP is not active in the production of chemicals or prohibited weapons and does not generate any revenue from the cultivation or production of tobacco. There are no bans on the company's products.

The consolidated financial statements of POLYTEC Holding AG do not include segment reporting in accordance with IFRS 8. The company is based in Austria and therefore uses the existing exemption under Article 18 (1) (a) of Directive 2013/34/EU. For this reason, there is no specific breakdown of revenues by ESRS sector. For total net sales, see the income statement in the consolidated financial statements. A detailed breakdown of the number of employees by geographical area can be found in the disclosure requirement for S1-6.

Portfolio

The portfolio comprises six technology-independent product lines that are continuously being developed:

- Smart Plastics & New Mobility: Plastic solutions for transport, logistics and sustainable mobility, including IFCO boxes and lightweight components for innovative mobility concepts.
- Truck, Bus & Agricultural Applications: Robust components for commercial vehicles, including roof solutions, hoods and side panels for trucks and agricultural machinery.
- Painted Exterior & Acoustic Solutions: Development and production of exterior and aerodynamic components, including painting and assembly, for example for bumper systems.
- Powertrain Solutions: High-performance components for the powertrain, including hybrid struts and transmission spray pipes.
- Battery Applications: Protection and housing solutions for high-voltage batteries in electric vehicles with a focus on cooling, electromagnetic shielding and recyclability.

- **Underbody Solutions:** Aerodynamic underbody components to increase efficiency, including easily recyclable seat cushion frames and skid plates for electric vehicles.

Supply chain

POLYTEC's value chain is based on six central manufacturing technologies and includes both upstream and downstream processes:

- **Injection molding:** Processing of polypropylene and polyamides with electrical energy. Raw materials come mainly from European chemical companies. The products are primarily manufactured for the automotive and commercial vehicle industries.
- **Reaction Injection Molding (RIM):** Processing of polyurethane using isocyanate and polyol components. POLYTEC no longer uses acutely toxic isocyanates. This process is used for acoustic components and vehicle components.
- **GMT (Glass mat reinforced thermoplastics):** Production of underbody systems with glass fibre-based materials. High CO₂ emissions are generated during glass fibre production. GMT is mainly used in the automotive industry.
- **LFT (Long fibre reinforced thermoplastics):** Processing of polypropylene and glass fibres with in-house pre-mixing of the materials. Some of the raw materials come from Egypt. LFT is primarily used in structural components for vehicles.
- **SMC (Sheet Molding Compound):** POLYTEC produces and processes SMC. The material is characterized by high mechanical stability and heat resistance. It is used, among other things, in the agricultural machinery industry and for vehicle underbodies.
- **Painting:** An energy-intensive process with CO₂ emissions. Coatings based on polyurethane or epoxy resins are applied in several layers.

The products manufactured by POLYTEC consist mainly of petroleum-based plastics along with glass and carbon fibres. The company obtains these materials primarily from European chemical companies and glass fibre producers. Through long-term supply contracts and strategic partnerships, the company ensures the availability of these raw materials. The supplier management tool supports purchasing with sustainable solutions in compliance with the current requirements of the German supply chain act (LkSG).

In the upstream value chain, the most important suppliers are European chemical companies, glass fibre manufacturers and raw material producers. Transport is mainly carried out by truck, but also by ship. The

components produced are sold in the downstream value chain mainly to European automotive and commercial vehicle manufacturers, as well as to non-automotive customers.

Internal value creation is also ensured by intensive research work at POLYTEC. An innovative recycling process for SMC components has been developed, which enables reprocessing of the scrap of SMC molded parts and semi-finished products in the future, which can be integrated into the manufacturing process – regardless of whether the molded parts are raw or painted.

Disclosure Requirement SBM-2 – Interests and views of stakeholders

The important stakeholders of the POLYTEC GROUP include customers, employees, local communities, suppliers, nature (as a silent stakeholder), trade unions, social partners, civil society, NGOs, consumer protection, academics, capital market, public sector, Supervisory Board, media, competitors, and workers in the value chain. These have been identified in previous materiality analyses and included in the double materiality analysis in 2024.

The above-mentioned stakeholders were evaluated by analysing how strongly they are affected by specific weighted interest and influence of the company. In accordance with the calculated priority, the most relevant stakeholder groups were included in the double materiality analysis.

Stakeholder involvement took place directly (e.g. through interviews with the Board of Directors and Supervisory Board) or indirectly (via responsible directors or representatives). NGOs and companies were also involved in taking ecological and social concerns into account. This enabled the validation of the double materiality analysis, the identification of priorities, and the integration of key concerns into the ESG strategy.

Through stakeholder involvement, the results of the double materiality analysis were validated by the relevant stakeholder groups to take their expectations and requirements into account. Targeted feedback on material topics was obtained and it was checked whether central concerns were adequately addressed. This ensured that no critical issues were overlooked. In addition, identified stakeholder priorities were directly incorporated into the ESG strategy, which influence future decisions and sustainability measures.

Stakeholder involvement during the double materiality analysis made it possible to systematically record the interests of central stakeholders and integrate them into the corporate strategy. The involvement of stakeholders is repeated annually as part of the double materiality analysis and is expected to be strengthened in the future.

Planning for the complete further development and alignment of the sustainability strategy with the CSRD is being carried out in the current reporting period. A detailed implementation plan will ensure step-by-step implementation of the sustainable strategy. The increased transparency provided by the new reporting requirements is expected to strengthen stakeholder confidence and further enhance the company's ESG credibility. If new expectations arise, they will be reviewed and, if necessary, included in the plan.

The Board of Directors and Supervisory Board are informed annually about the results of the materiality

analysis. Sustainability issues are an integral part of the Board of Directors and Sustainability Board meetings, where ESG risks and opportunities, and stakeholder expectations are discussed. Depending on the urgency, relevant concerns are forwarded to management or the Supervisory Board to ensure they will be considered for strategic decision-making.

Disclosure Requirement SBM-3 – Material impact, risk and opportunities and their interaction with strategy and business model

The table below shows all the material impacts, risks and opportunities identified in the double materiality analysis. These are assigned to the topic-specific ESRS sustainability aspects and sub-topics. Negative effects (-) and positive (+) effects, as well as risks (⚡) and opportunities (🔑) are marked accordingly. In addition, it shows whether the IRO is actually or potentially effective, where in the value chain it occurs and in which time horizon.

		Type of IROs		Position in value chain			Time horizon		
		Actual	Potential	Upstream	Core process	Downstream	Short-term	Mid-term	Long-term
Sustainability matter	Impact, Risk, and Opportunity (IRO)								
E1 - Climate change									
Climate change mitigation	(-) Greenhouse gas (GHG) emissions from the production of petroleum-based raw materials and intermediate products	X		X			X	X	X
	(-) Greenhouse gas (GHG) emissions from the production of non-petroleum-based raw materials and intermediate products	X		X			X	X	X
	(-) Direct greenhouse gas emissions (Scope 1) from stationary and mobile combustion, refrigerant use and process emissions	X			X		X	X	X
	(-) Greenhouse gas emissions from the transport of products within the supply chain	X		X			X	X	X
	(-) Greenhouse gas emissions from the transport of products to customers	X				X	X	X	X
	(-) Greenhouse gas emissions from the transport and final utilisation of all types of waste	X			X		X	X	X
	(+) Contribution to the energy transition, mobility transition, decarbonisation through the production of components for e-mobility and renewable energy technologies	X			X		X	X	X
	(↗) Expanding and growing the e-mobility and renewable energy technology product portfolio for the energy and mobility transition and decarbonisation.	X	X			X		X	X
	(↘) Decline in sales Slump in conservative markets for internal combustion engine vehicles due to shift to e-mobility; decline in sales due to stricter legislation, changes in consumer behaviour and customer requirements	X	X		X			X	X

		Type of IROs		Position in value chain			Time horizon		
		Actual	Potential	Upstream	Core process	Downstream	Short-term	Mid-term	Long-term
Sustainability matter	Impact, Risk, and Opportunity (IRO)								
Energy	(-) Indirect greenhouse gas emissions (Scope 2) from the purchase of energy in the form of electricity, heat, steam and cooling	X		X			X	X	X
	(+) Reduction of greenhouse gas emissions by substituting purchased energy with self-generated (renewable) energy	X			X		X	X	X
	(7) Increasing independence from energy markets by expanding self-generated renewable energy; optimising and decarbonising production processes through new technologies; long-term independence from fossil fuels	X	X		X				X
E2 - Pollution									
Pollution of water	(-) Pollution of local waters or marine resources in the raw material extraction process and possible water pollution from wastewater discharge.		X	X			X	X	
	(-) Soil contamination from the extraction of raw materials (especially crude oil and natural gas)		X	X			X	X	
E4 - Biodiversity and ecosystems									
Direct impact of biodiversity loss	(-) Habitat and ecosystem disturbance during resource extraction (oil spills during extraction and transport; land degradation during fracking and tar sands extraction).	X		X			X	X	
E5 - Resource use and circular economy									
Resource inflows, including resource use	(-) Depleting non-renewable resources (oil, natural gas) by using oil-based raw materials (plastics).	X		X			X	X	X
	(1) Price increases due to decreasing availability of non-renewable raw materials; higher prices for substitutes; insufficient availability of recycled raw material; stricter regulations; costs of excluding non-compliant suppliers.	X	X		X				X
	(1) Discontinuation of difficult to recycle materials such as SMC, GMT and LFT due to customer and compatibility requirements; loss of sales at several sites; material reorganisation required.	X	X	X				X	X
Resource outflows related to products and services	(+) Conservation of resources through the manufacture of products designed according to principles of the circular economy	X				X	X	X	X
Waste	(-) Waste generated by rejects, cutting residues and auxiliary materials used in production and administration	X			X		X	X	X
	(+) Reduction of consumption of primary raw materials through the purchase and use of recycled raw materials.	X		X			X	X	X
	(+) Reducing waste (and the use of raw materials) by reusing production waste in the manufacture of products.	X		X			X	X	X
S1 - Own workforce									
Working conditions	(+) Ensuring fair treatment and financial security for employees through collective agreements, opportunities for social dialogue, freedom of association and involvement in decision-making through works councils	X			X		X	X	X
	(-) Onerous working hours for employees due to shift work models and production processes, difficult working conditions and heavy physical work.	X			X		X	X	X
	(+) Ensuring work-life balance through flexible working hours for employees	X			X		X	X	X

		Type of IROs		Position in value chain			Time horizon		
Sustainability matter	Impact, Risk, and Opportunity (IRO)	Actual	Potential	Upstream	Core process	Downstream	Short-term	Mid-term	Long-term
	(-) Damage to health or even fatalities due to accidents at work and health hazards due to the use of substances of very high concern in production		X		X		X	X	X
	(↗) Use of automation and digitalisation, thereby avoiding human error in production processes and reducing the burden on employees; reduction in occupational accidents and downtime; greater attractiveness as an employer and therefore less fluctuation	X	X		X		X	X	
	(↘) Increase in personnel costs over the term of projects	X	X		X				X
Equal treatment and equal opportunities for all	(+) Further training and skills development for employees		X		X		X	X	X
	(-) Failure to respect equal opportunities by discriminating against women in the automotive industry	X			X		X	X	X
	(-) Negative effects on mental health due to violence and harassment at work		X		X		X	X	X
S2 - Workers in the value chain									
Working conditions	(-) Onerous working hours for workers in the supply chain due to shift work models		X	X			X	X	
	(-) Damage to health or even fatalities due to accidents at work and health hazards due to the use of substances of very high concern in production		X	X			X	X	X
	(-) Health risks during (improper) dismantling of vehicles, e.g. due to injuries, fuels or chemicals		X			X	X	X	X
S3 - Affected communities									
Communities' economic, social and cultural rights	(+) Creation of jobs through production sites and increasing the attractiveness of the location also for related industries.	X			X		X	X	X
	(+) Positive health or safety effects for other stakeholders, e.g. in road traffic, through intelligent product design		X			X			X
S4 - Consumers and end-users									
Personal safety of consumers and/or end-users	(+) Positive health or safety effects for end users during product use through intelligent product design		X			X			X
G1 - Business conduct									
Protection of whistle-blowers	(+) Protection of whistleblowers through an anonymous complaint procedure	X			X		X	X	X
	(+) Investment in long-term business partnerships through fair business and payment practices	X			X		X	X	X

Material Impacts, Risks and Opportunities

As already stated, 32 material impacts and 7 material risks and opportunities were identified as part of the double materiality analysis. An exception is the E3 standard, for which no material topics were identified. Most of the effects are relevant across all time horizons, some lose importance in the long term, while two only become

significant in the long term. 21 of the 32 impacts relate to the focus areas E1, E5 and S1 – which is where all the main risks and opportunities lie. Most of these will only become material in the medium to long term, with 5 out of 7 directly affecting POLYTEC's core process.

In the environmental sector, the focus is on greenhouse gas emissions, resource use, environmental pollution, and waste production. The increased use of renewable energies, the promotion of the circular economy, and the contribution to the energy transition are providing positive signals. Social risks include working conditions, stressful working hours, health hazards, and discrimination. This is offset by positive effects, such as fair working conditions, financial security, work-life balance, further training, and job creation. In corporate governance, whistleblower protection, fair business and payment practices show positive outlooks.

About half of the main impacts directly affect POLYTEC's core process. Two-thirds of the remaining impacts are distributed in the upstream value chain and one-third in the downstream value chain. Most of the financial effects are expected to be in the medium to long term, which is why there is currently no need to adjust asset values. Rising personnel costs is also expected, which can already have a short-term impact on the financial performance. In the environmental sector, self-generated renewable energies offer long-term cost savings, meanwhile the reorientation towards e-mobility opens up growth potential –in spite of the cost of a decline in sales in the combustion engine segment. Rising raw material prices and stricter customer requirements pose additional challenges, besides the market regression. In the social sector, expended automation and digitalization will enable a reduction in workload, greater efficiency, and the strengthening of European plants by eliminating transport costs.

The analysis has further sharpened key topics and priorities for strategy, measures and targets. Aspects that were already known, such as the importance of greenhouse gas emissions for the climate strategy, were confirmed and reinforced through the analysis. The findings are incorporated into strategic development to align measures more specifically with material topics.

Strategic orientation

The business model directly influences the material effects, whereas the strategic realignment aims to minimize negative and amplify positive effects. The effects extend across all time horizons, and, as a manufacturing company, POLYTEC makes a significant contribution to this. There are certain challenges to dealing with the environmental and social impacts of energy-intensive production processes, which can be coped through targeted measures.

In the short term, the focus lies on increasing efficiency and reducing emissions, and in the medium term on expanding sustainable production and adapting the product portfolio. In the long term, POLYTEC is striving for a comprehensive transformation and diversification of the value chain.

POLYTEC is currently not pursuing a focused expansion strategy through M&A transactions or new site construction but concentrating on stabilizing locations and processes for the volatile automotive markets. Investments in energy-efficient renovations and the replacement of inefficient systems have been either already made or are planned on an ongoing basis. These measures contribute to saving energy consumption and are economically reasonable. No additional sources of financing are required for the implementation of the sustainability strategy, as opportunities and risks are balanced within the existing corporate strategy.

This approach is intended to manage significant impacts, risks and benefits from opportunities. The realignment shifts the central issues more into focus. Measures to reduce emissions, the circular economy, and sustainable material procurement strengthen environmental resilience, whereas the social risks are reduced with investments in occupational safety, training, and diversity. Solid compliance and risk management along with ISO 14001 certification ensure regulatory stability.

Entity-specific disclosures

During the data point transition, it became evident that the effects on water and soil from resource extraction (E2 environmental pollution) are not covered by the ESRS key figures or covered with insufficient granularity. Therefore, in addition to the disclosures defined in the three ESRS categories, POLYTEC reports a company-specific disclosure in E2 that enables users to better understand the sustainability-related impacts, risks or opportunities of the company.

Impacts, risks and opportunities management

Disclosure Requirement IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The double materiality analysis identified material impacts, risks and opportunities along POLYTEC's entire value chain. The assessment was carried out with internal and external experts with the involvement of relevant stakeholders and accompanied by external consultants. In doing so, POLYTEC was guided by the longlist of ESRS 1 AR 16 and IPCC 1.5° without carrying out a concrete scenario analysis.

Qualitative and quantitative methods were combined for the analysis, including internal analyses, stakeholder surveys (see ESRS 2 SBM-2), and external studies. Key assumptions included regulatory developments, market trends, and technological advancements. The study took both direct and indirect effects from own activities, business relationships, and geographical conditions into account.

The impact was assessed based on the probability of occurrence, scale and scope of impacts, and irreversibility of negative impacts. The threshold value was set at 2.5 out of 5 to ensure a practical analysis and to focus on material topics with high relevance for stakeholders. Risks and opportunities were assessed according to financial impact, probability of occurrence and strategic relevance. For financial materiality, a threshold of over 1% of total revenue, which is roughly EUR 6 million applies.

The analysis also took relationships between impacts, risks and opportunities into account. For example, the reduction of greenhouse gas emissions can lead to stricter emission targets, which require higher costs for CO₂-certificates or investments in lower-emission technologies. Such dependencies have been analyzed, but not yet systematically documented.

Sustainability risks are part of the existing risk management system and are assessed equivalently with other corporate risks. Decision-making takes place as part of the risk management and strategy process. Risks and opportunities are regularly discussed with relevant departments and management – especially in business review meetings. Internal control procedures ensure continuous monitoring and timely implementation of measures to minimize risk and maximize opportunities.

As the report on the 2024 financial year is the first to comply with CSRD standards, there were no changes to the procedure.

Disclosure Requirement IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The following index shows the disclosure requirements that were considered when preparing the sustainability statement based on the results of the materiality assessment (see ESRS 1, Chapter 3), including the page numbers on which the corresponding disclosures can be found:

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2. ENVIRONMENTAL INFORMATION

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

In order to achieve the climate and energy targets defined by the European Union for 2050 and to implement the objectives of the European Green Deal, it is of paramount importance, among other things, to channel financial flows into sustainable projects and investments. In the past, however, the term sustainability was fraught with uncertainty. For the most part, there was no concrete definition of when an activity should be considered sustainable. For this reason, the EU Taxonomy Regulation (EU) 2020/852 came into force in June 2020. It is intended to provide clarity and at the same time encourage companies to make their economic activities more environmentally and climate friendly.

The core of the Taxonomy Regulation consists of six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In recent years, all companies subject to non-financial reporting obligations have reported their share of taxonomy-eligible and taxonomy-aligned economic activities. Specifically, the taxonomy-eligible and taxonomy-aligned sales, capital expenditure and operating expenditure were reported. In 2022 and 2023, the POLYTEC GROUP therefore published the taxonomy-aligned share of the three performance indicators revenue, CapEx and OpEx in accordance with Article 8 of the Taxonomy Regulation. The POLYTEC GROUP published taxonomy-eligible revenues, capital expenditures and operating expenses for the first time in 2022, the year in which the Taxonomy Regulation was implemented.

The step towards alignment is linked to compliance with specific parameters. For example, an economic activity is only taxonomy-aligned and therefore environmentally sustainable if it makes a significant contribution to one of the EU's six environmental goals. In addition, this economic activity must not significantly impair any of the other objectives and must be carried out in compliance with predefined minimum social safeguards.

Within the scope of the definition of economic activities, the POLYTEC GROUP focuses on the environmental objective of climate protection and thus, in accordance with Article 9 (a) of Regulation (EU) 2020/852, on the first objective of the regulation, whereby double counting could be avoided. The technical screening criteria defined for this purpose specify, among other things, the conditions under which an economic activity makes a substantial contribution to climate protection yet does not cause significant harm to any of the other five environmental objectives.

MINIMUM SOCIAL SAFEGUARDS

Articles 3 and 18 of the EU Taxonomy Regulation (EU 2020/852) require compliance with a so-called minimum social safeguard. This minimum level of protection ensures compliance with essential regulations such as the OECD Guidelines for Multinational Enterprises or the United Nations Guiding Principles on Business and Human Rights. Specifically, the core topics respect for human rights, combating corruption and bribery, taxation and fair competition were formulated. The topics controversial weapons, the gender pay gap, and board gender diversity have also been integrated.

Regarding diversity in the Board of Directors and Supervisory Board, reference is made to the ESRS 2 Standard, Chapter GOV-1. The current situation regarding this topic in the POLYTEC GROUP is presented there. The gender pay gap is reported in S1-16.

The POLYTEC GROUP does not generate any revenue related to controversial weapons, therefore this topic will not be discussed further.

To counteract the risks of bribery and corruption and ensure free and fair competition with our customers and competitors, the core financial risks have been identified. Key financial processes have been digitized and standardized within the framework of a closed internal control system. In addition, employee awareness of compliance with competition law requirements is heightened and monitored through the publication of relevant guidelines. To comply with these human rights due diligence obligations and enforce the goals mentioned above, the POLYTEC GROUP has implemented the following measures and processes. Further information can be found in the relevant chapters and sections of this non-financial statement prepared in accordance with the ESRS.

COMPLIANCE WITH HUMAN RIGHTS

The ongoing group-wide risk analyses do not reveal any relevant industry-, company- or product-specific risks that would appear to have a negative impact on compliance with the minimum standards. The implemented systems enable violations in the areas of working hours and occupational safety, as well as training and education, to be continuously tracked and remedial as need. At locations outside of Europe, such as China and South Africa in particular, the locally applicable legal provisions are monitored by trained, qualified personnel. At the beginning of 2024, a risk management guideline was put into force with the involvement of the supervisory bodies, which will also further promote the anchoring of due diligence obligations to comply with minimum standards in the group's corporate and sustainable risk strategy.

To fulfil the necessary due diligence obligations and avoid negative effects, the POLYTEC GROUP has implemented appropriate measures and systems, such as the definition of a comprehensive Code of Conduct and a specific Code of Conduct for suppliers. More detailed information and explanations of the implemented measures and systems regarding the direct employees of the POLYTEC GROUP can be found below in the ESRS 2 standard in chapters SBM-3 and the disclosure requirement S1-1 "Impacts, risks and opportunities management". In addition, corresponding measures to ensure compliance with human rights in the upstream supply chain are specified in the chapter "ESRS S2 Workers in the Value Chain" and in detail in the disclosure requirements S2-1 and S2-3.

As a basic requirement, the POLYTEC GROUP expects its suppliers to be aware of and fully comply with the applicable relevant laws and regulations. As part of the German LkSG, which came into force on January 1, 2024, for the German locations of the POLYTEC GROUP, an end-to-end digital process was implemented using an external tool for the group-wide certification of all suppliers.

CORRUPTION AND FAIR COMPETITION

In order to minimize the risk of bribery and corruption as far as possible, since 2015 through the group-wide digitalization offensive the internal control system has been systematically advanced by ensuring the "Four eyes principle". The POLYTEC GROUP now has automated systems for the approval of purchase requisition and value-based systematic approval authorizations of payment instructions. Regarding the anti-corruption guidelines published in the Group in February 2022, the Group Compliance Committee, set up specifically for this purpose, is responsible for reviewing and monitoring local

inquiries and reporting to the Board of Directors. More detailed information on the measures implemented to prevent corruption and bribery can be found in the chapter ESRS G1 Corporate Governance, specifically in Disclosure Requirements G1-1 "Corporate culture and business conduct policies and corporate culture" and G1-3 "Prevention and detection of corruption and bribery".

The establishment of development projects and sales contracts are also subject to a standardized approval process through the installation of the POLTEC development process (PEP) and the sales guidelines for the approval of offers and contract review, so that the greatest possible transparency in the conclusion of projects and contracts and fair competition is ensured. Due to the prohibition of the misuse of insider information and market manipulation, the POLYTEC compliance policy serves to ensure these principles and to prevent damage and penalties against the POLYTEC GROUP and its employees.

TAXATION

In the context of taxation, the POLYTEC GROUP always acts in accordance with the locally applicable tax requirements, in compliance with internally implemented security measures (ICS) and the intergroup compliance guidelines. The accounting recording of business transactions, the preparation of tax returns, payment transactions and other tax-relevant processes are handled on the basis of a process flow in compliance with the dual control principle. The effectiveness of the processes and the internal control system is subject to an annual audit.

Furthermore, the data to be submitted as part of the declaration is verified for plausibility with any statistical reports that may be required. Compliance with deadlines (monthly report, due dates for UVA's, Intrastat declarations, ZMen, etc.) is ensured by means of internal documentation (definition of responsibilities including rules for representatives) and a calendar of deadlines. Special issues and special tax queries are assessed by the local accounting departments in conjunction with the corporate accounting team and, if necessary, also with external tax advisors. The confidential handling of data, documents and information as well as special attention to this is ensured by regular training of employees on the "Compliance Guideline".

DO-NO-SIGNIFICANT-HARM CRITERIA

For an economic activity to be assessed as taxonomy-aligned and therefore ecologically sustainable, it must, among other things, make a substantial contribution to one of the six environmental objectives without causing

significant harm to the other objectives. For this purpose, specific Do-No-Significant-Harm criteria, hereinafter abbreviated to DNSH, have been defined for each environmental objective and each economic activity within the framework of the Taxonomy Regulation.

The Taxonomy Regulation requires a climate risk and vulnerability analysis to fulfil the DNSH criterion for the climate change adaptation objective. This is intended to determine the physical climate risks during the expected life span of an economic activity. The POLYTEC GROUP has obtained support from an external provider and identified appropriate adaptation solutions. Specifically, the risk of extreme temperature increase has arisen for the sites assessed. In order to mitigate the effects of these heat waves on employees, appropriate adaptation solutions were defined.

Due to the necessity of an environmental impact assessment as a DNSH criterion, the POLYTEC GROUP carried out an internal analysis and was able to identify the relevant existing legal documents regarding environmental, building and water.

SPECIFICATION OF KEY PERFORMANCE INDICATORS

TURNOVER (ECONOMIC ACTIVITIES)

To determine the taxonomy-eligible economic activities, the POLYTEC GROUP has once again conducted a structured analysis of sales-based economic activities as a first step this year. For this purpose, relevant sales data was collected as part of a sales list and assigned to specific product groups.

For the classification of economic activities within the scope of taxonomy eligibility, the POLYTEC GROUP considers, among other things, product groups related to the manufacture of corresponding components for batteries with regard to the sales-related key figure. These products are, for example, battery housings, battery covers or holders.

Battery components manufactured for e-mobility vehicles, on the other hand, can be assigned to the economic activity CCM 3.18 Manufacture of automotive and mobility components. Furthermore, the POLYTEC GROUP generally classifies all components for electrically powered vehicles to this economic activity. Within the scope of the technical assessment criteria, these components make a significant contribution to climate protection by being essential for the provision of the environmental performance of zero-emission vehicles for any kind of passenger transport.

They can therefore be fully allocated to the taxonomy-aligned share. Those battery components that are not designed for electrically powered devices for passenger transport will continue to be included in the economic activity CCM 3.4 Manufacture of batteries. Here, the situation remains consistent with previous years: due to the division of these products into two different sectors, only one taxonomy-eligible activity (CCM 3.4) exists. In order to avoid double counting, a very clear subdivision according to the drive type of vehicles for which the corresponding components were manufactured was carried out.

Within the scope of its production of specific solar tubs, the POLYTEC GROUP was able to identify the economic activity CCM 3.1 Manufacture of renewable energy technologies as an additional category. The product groups used for this purpose correspond to the activity description, thus qualifying them as taxonomy aligned.

The activity CCM 3.6 Manufacture of other low-carbon technologies was identified as another category from the multitude of taxonomy-eligible economic activities. These technologies aim to significantly reduce greenhouse gas emissions and, depending on the availability of a life cycle analysis and thus a prerequisite for compliance with the technical assessment criteria, can be designated as both taxonomy-eligible and taxonomy-aligned. In the case of the products considered for this purpose, this is achieved on the one hand by their lightweight construction and production processes, such as injection-molded products. Compared to equivalent products made of metal-containing materials or similar, these products are lighter and therefore have a lower impact on the emissions of the vehicles on which they are installed. These products include, for example, cylinder head covers made of plastic.

This category also considers products that influence the aerodynamics of vehicles as end products. The particularly aerodynamic shape of specific underbody components or roof spoilers, for example, can reduce air resistance, which can subsequently reduce emissions.

POLYTEC GROUP was also able to identify products outside the automotive sector within the scope of the CCM 3.6 economic activity. Specifically, these are foldable reusable containers for transporting food. These transport boxes bear the prestigious Cradle to Cradle Certified® seal (version 3.1) and are fully recyclable, thus enabling them to be kept in a closed loop. Based on the requirements of the Taxonomy Regulation, these reusable boxes make a significant contribution to climate protection. Likewise, the

corresponding technical evaluation criteria can be met, allowing them to be certified as taxonomy aligned.

In the analysis of its economic activities, the POLYTEC GROUP was also able to define the economic activity CCM 3.17 Manufacture of plastics in primary forms to produce the Sheet Moulding Compound (SMC) at the plant in Gochsheim. POLYTEC GROUP produces this material in its pure form and processes it into products such as solar tubs. Since the SMC produced does not meet the technical assessment criteria of the Taxonomy Regulation, it is only included in the taxonomy-eligible share of sales.

The slight deviation of the key figure compared to the previous year is due to the order-related fluctuations in the product portfolio. The POLYTEC GROUP produces a wide variety of products, which are naturally subject to call-off fluctuations. For this reason, the corresponding economic activities and thus also product groups were re-analysed and reassessed.

The basis of sales is the net revenue resulting from goods or services in accordance with IAS 1.82(a). Total revenue for the 2024 financial year of EUR 677,831 thousand is the denominator of the key revenue indicator and can be found in the consolidated income statement (see E. 1. Revenue and segment reporting). To calculate the corresponding percentages, the share of revenues from products related to taxonomy-eligible economic activities (= numerator) was compared to the total turnover of the POLYTEC GROUP in 2024 (= denominator). POLYTEC GROUP also used a similar approach to determine the taxonomy-aligned share of sales. The respective share of taxonomy-eligible and taxonomy-aligned sales was calculated based on the provisions of International Financial Reporting Standards (IFRS). The figures used for the total turnover of the POLYTEC GROUP in 2024 correspond to the items in the annual financial statements. Based on this, the following data was obtained for the sales-related performance indicator.

Reporting form for the KPIs of non-financial companies

Share of turnover from goods or services related to taxonomy-aligned economic activities – disclosure for the year 2024

Fiscal year 2024	2024		Substantial contribution criteria										DNSH-Criteria ("Do No Significant Harm")						
Economic activities (1)	Code (2)	Absolute turnover (3)	Proportion of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned or eligible turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text	Currency (in EUR k)	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 31	890	0.1%	Y	N/EL	N/EL	N/EL	J	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.3%	E	/
Manufacture of other low carbon technologies	CCM 36	128,777	19.0%	Y	N/EL	N/EL	N/EL	J	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5.9%	E	/
Manufacture of automotive and mobility components	CCM 318	22,406	3.3%	Y	N/EL	N/EL	N/EL	J	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5.2%	E	/
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		152,073	22.4%														11.4%		
Thereof enabling activities		152,073	100.0%														100.0%	E	
Thereof transitional activities		0.0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 34	19,275	2.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%		
Manufacture of other low carbon technologies	CCM 36	67,829	10.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								15.0%		
Manufacture of plastics in primary form	CCM 317	5,961	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Turnover of taxonomy- eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		93,065	13.7%														17.3%		
A. Turnover of taxonomy eligible activities (A.1 + A.2)		245,138	36.2%														28.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities (B)		432,693	63.8%																
TOTAL (A + B)		677,831	100.0%																

Proportion of turnover/Total turnover	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	22.4%	36.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Footnotes and explanations of the tables:

- a) The code represents the abbreviation of the specific objective to which the economic activity can make a substantial contribution and the number of the section of the activity in the relevant annex covers the objective, i.e.
- Climate change mitigation: CCM
 - Climate change adaption: CCA
 - Water: WTR
 - Circular economy: CE
 - Pollution prevention and control: PPC
 - Biodiversity and ecosystems: BIO
- For example, the "Reforestation" activity would have the following code: CCM 1.1.
- For actions that can make a significant contribution to more than one objective, the codes for all objectives shall be provided. For example, if the operator reports that the "new construction" activity makes a significant contribution to climate protection and the circular economy, the code would be: CCM 7.1/CE 3.1.
- The same codes should be used in sections A.1 and A.2 of this template.
- b) Y – Yes, taxonomy-eligible activity and for the relevant objective taxonomy-aligned activity
N – No, taxonomy-eligible activity but for the relevant objective not taxonomy-aligned activity
N/EL – "not eligible", for the relevant objective not taxonomy-eligible activity
- c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial entities shall indicate in bold the most relevant environmental objective for the calculation financial entity KPIs, avoiding double counting. If the use of the proceeds from the financing is not known, financial entities shall calculate in their respective KPIs the financing of economic activities that contribute to multiple environmental objectives according to the most relevant environmental objective indicated by non-financial entities in this template. An environmental objective can only be stated once in a line in bold to avoid double counting of economic activities in the KPIs of financial companies. This does not apply to the calculation of the taxonomy compliance of economic activities for financial products within the meaning of Article 2 number 12 of Regulation (EU) 2019/2988. Non-financial companies also report the level of taxonomy eligibility and compliance by environmental objectives, which includes compliance with each of the environmental objectives for activities that contribute significantly to multiple objectives, using the template below:
- d) The same activity can only comply with one or more environmental objectives for which it is taxonomy-eligible.
- e) The same activity may be taxonomy-eligible and not consistent with relevant environmental objectives.
- f) EL – Taxonomy-eligible activity for the respective objective.
N/EL – Non-taxonomy-eligible activity for the specific objective.
- g) Activities shall only be reported in Section A.2 of this template if they are not conforming with an environmental objective for which they are taxonomy-eligible. Activities that comply with at least one environmental objective must be reported in Section A.1 of this reporting form.
- h) To report an activity in Section A.1, all DNSH criteria and minimum safeguards must be met. For the activities listed in A.2, columns 5 to 17 can be filled in by non-financial entities on a voluntary basis. Non-financial entities may indicate the substantial contribution and the DNSH criteria they meet or do not meet in Section A.2 using the following codes: (a) for material contribution: Y/N and N/EL instead of EL and N/EL, and (b) for DNSH: Y/N

INVESTMENTS (CapEx)

To evaluate the investment-related performance indicator, POLYTEC GROUP conducted an analysis of its capital expenditure for the past year. For this purpose, the relevant CapEx figures were obtained from the individual locations and aggregated at regional level. In the context of data collection for the CapEx indicator, there would also have been the potential to be subject to the error of double counting certain more monetary expenses. To avoid this, the relevant data sets were precisely evaluated and, depending on their relevance, included in the calculation of the CapEx key figure.

In the first step, the POLYTEC GROUP determined those investments for the corresponding calculation that are related to the economic activities identified in the sales-related performance indicator. In addition, taxonomy-eligible expenditures on projects to produce oil separators or components for hybrid cars, for example. The review of capital expenditure revealed concrete specific allocations to these categories. Taxonomy-aligned capital expenditure also arose from expenses related to components for electric cars and foldable transport boxes. Last year, for example, isolated investments were made in the recycling plant in Ebensee, Austria, which is essential to produce the boxes, among other things. POLYTEC GROUP produces several products at certain facilities, which means that the

specific allocation of capital expenditure for new facilities to specific economic activities is currently only partially possible. For those investments for which no specific allocation is possible, the POLYTEC GROUP applied a corresponding key this year based on the respective percentages from the identified economic activities of the sales-related key performance indicator. The implementation of a structured allocation process is planned for the future disclosures.

Expenditure related to energy-saving measures, such as the conversion of lighting to LED lamps, could be classified under activity CCM 7.3 Installation, maintenance and repair of energy-efficient equipment. These capital expenditures thus make a significant contribution to climate protection and have no significant negative impact on the other environmental objectives of the Taxonomy Regulation. For this reason, these expenses can be considered taxonomy-aligned and thus contribute to the corresponding percentage.

In addition, relevant investment expenditure on purchased company vehicles is listed under economic activity CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. Here, a division is made according to the type of drive. Since these are hybrid vehicles and do not meet the technical assessment criteria of the economic

activity, they are included in the taxonomy-eligible part of this activity. Corresponding investments related to purchased real estate in the past year were allocated to the taxonomy-eligible part of economic activity CCM 7.7 Acquisition and ownership of buildings.

For the calculation of the taxonomy-eligible share of the CapEx ratio, capital expenditures in connection with taxonomy-eligible economic activities (= meters), as well as expenditure on hybrid vehicles and building accesses, were compared to POLYTEC's total capital expenditure in 2024 (= denominator), considering the requirements of the Taxonomy Regulation. In line with this, investment expenditure in connection with taxonomy-aligned economic activities (= numerator) was also assessed for the taxonomy-aligned CapEx share in relation to total investments from 2024 (= denominator).

The respective proportion of taxonomy-eligible and taxonomy-aligned CapEx was calculated based on the provisions of the International Financial Reporting Standards (IFRS). For the total CapEx of EUR 32,839 thousand, which was defined as the denominator for the

calculation, POLYTEC used the total additions of intangible assets in the amount of EUR 1,207 thousand, excluding additions to advance payments in the amount of EUR 713 thousand and plus reclassifications of advance payments in the amount of EUR 1,293 thousand (see E. 8. Intangible assets and goodwill). Regarding the property, plant and equipment considered, total additions in the amount of EUR 40,075 thousand excluding additions to advance payments made and assets under construction in the amount of EUR 15,839 thousand and plus the reclassifications of advance payments made and assets under construction in the amount of EUR 6,816 thousand were used (see E. 9 Tangible assets).

Deviations in the figures for the CapEx-related performance indicator arise, among other things, due to varying investments within individual projects. In addition, POLYTEC has made further investments in the renewal of facilities for 2024. These plants are inherently more energy-efficient and resource-saving, but do not comply with the regulations of the Taxonomy Regulation and therefore cannot be included in this list.

CapEx share of goods or services associated with taxonomy-aligned economic activities – disclosure for the year 2024

Fiscal year 2024	Year 2024			Substantial contribution criteria										DNSH-Criteria ("Do No Significant Harm")								
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	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)			
Text	Currency (in EUR k)	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (taxonomy-aligned)																						
Manufacture of renewable energy technologies	CCM 31	8	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.3%	E	/			
Manufacture of other low carbon technologies	CCM 36	1,580	4.8%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.5%	E	/			
Manufacture of automotive and mobility components	CCM 318	375	1.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.6%	E	/			
Installation, maintenance and repair of energy efficiency equipment	CCM 73	236	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	3.6%	E	/			
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 74	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.6%	E	/			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 75	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4%	E	/			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)	2,199	6.7%															6.9%					
Thereof enabling activities	2,199	100.0%															100.0%	E				
Thereof transitional activities	0	0.0%															0.0%		/			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																						
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL													
Manufacture of renewable energy technologies	CCM 31	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL											0.1%		
Manufacture of batteries	CCM 34	181	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL											0.0%		
Manufacture of other low carbon technologies	CCM 36	866	2.6%	EL	EL	N/EL	N/EL	N/EL	N/EL											4.6%		
Manufacture of plastics in primary form	CCM 317	56	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL											0.0%		
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 65	218	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL											3.7%		
Acquisition and ownership of buildings	CCM 77	144	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL											0.0%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	1,465	4.5%															8.4%					
A. CapEx of taxonomy eligible activities (A.1+A.2)	3,664	11.2%															15.3%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
CapEx of taxonomy-non-eligible activities (B)	29,175	88.8%																				
TOTAL (A + B)	32,839	100.0%																				

Proportion of CapEx/Total CapEx	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	6.7%	11.2%
CCA	0.0%	11.2%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

OPERATING EXPENSES (OpEx)

As part of the Taxonomy Regulation, companies are required to publish their corresponding operating expenses in addition to the share of taxonomy-eligible and taxonomy-aligned sales and investments.

For this reason, POLYTEC has considered the total operating expenses of the past year, similar to the procedure used to determine the other two performance indicators. Specifically, the expenses predefined under the Taxonomy Regulation related to repair and maintenance costs, research and development costs and leasing were used here.

In a first step, attention was also paid to the product groups identified for the calculation of the sales-related KPI when calculating this performance indicator. This results in a proportional allocation of taxonomy-eligible and taxonomy-aligned maintenance costs in accordance with item E. 5. Other operating expenses and research and development costs related to the economic activities CCM 3.1 Manufacture of renewable energy technologies, CCM 3.4 Manufacture of batteries, CCM 3.6 Production of other low-CO2 technologies, CCM 3.17 Production of plastics in primary forms and CCM 3.18 Manufacture of automotive and automotive components. Mobility components.

For the collection of taxonomy-eligible leasing costs, in addition to the proportional allocation of the item "Other rental and leasing expenses", the focus was on the costs for leased hybrid and electric cars of employees. This operating expenditure could be allocated to economic activity CCM 6.5 Transport of motorbikes, passenger cars and light commercial vehicles. Since hybrid vehicles do not result in a complete reduction in greenhouse gas emissions and thus do not make a significant contribution to climate protection according to the technical assessment criteria, the leasing costs in this context were exclusively included in the taxonomy. In addition, corresponding building leasing costs have been allocated to the taxonomy-eligible share of economic activity CCM 7.7 Acquisition of and ownership of buildings.

Research and development costs were allocated based on the defined product groups within the framework of taxonomy-eligible and taxonomy-aligned sales. Corresponding percentages from the sales-related performance indicator were used as a key for the allocation and thus assigned to activities CCM 3.1, CCM 3.4, CCM 3.6, CCM 3.17 and CCM 3.18. For the calculation of the taxonomy-eligible OpEx costs, the share of operating expenses related to taxonomy-eligible economic activities, i.e. the taxonomy-eligible share of expenditure related to research and development, leasing and maintenance and repair (= numerator) was thus compared to the total operating expenses (= denominator) according to the Taxonomy Regulation. The specific composition of the denominator is subsequently found in the text. Since POLYTEC was unable to identify taxonomy-eligible revenue in the context of the economic activity CCM 3.18 Manufacture of automotive and mobility components, no associated OpEx share was accordingly included in the numerator of the calculation of taxonomy-eligible operating expenses.

POLYTEC chose a similar approach for the collection of taxonomy-aligned OpEx costs and excluded leasing costs as well as operating, research and development costs in connection with the economic activities CCM 3.17 Manufacture of plastics in primary form and CCM 3.4 Manufacture of batteries from the numerator, as these fall exclusively into the taxonomy-eligible part of the OpEx costs.

The OpEx costs of the POLYTEC GROUP in 2024 in the denominator correspond to the items in the annual financial statements. However, the total OpEx costs calculated in accordance with IFRS could not be used here, as the Taxonomy Regulation provides a slightly different definition of OpEx. The relevant operating expenses were therefore specifically evaluated in order to correctly carry out the calculation in accordance with the Taxonomy Regulation.

For the calculation of the OpEx-related performance indicator, maintenance costs of EUR 15,675 thousand and other rental and leasing expenses of EUR 3,597 thousand were used as the denominator of the OpEx-related performance indicators listed in the annual financial statements under item E. 5. Other operating expenses, supplemented by leasing expenses for corresponding company vehicles at EUR 152 thousand and for buildings at EUR 353 thousand. The actual research and development costs of EUR 575 thousand were added to this amount. In total, the total amount of OpEx costs in the denominator is EUR 20,352 thousand.

OpEx share of goods or services related to taxonomy-aligned economic activities – disclosure for the year 2024

Fiscal year 2024	Year 2024		Substantial contribution criteria										DNSH-Criteria ("Do No Significant Harm")						
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text	Currency (in EUR k)	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of renewable energy technologies	CCM 31	26	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4%	E	/
Manufacture of other low carbon technologies	CCM 36	3,800	18.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5.9%	E	/
Manufacture of automotive and mobility components	CCM 318	661	3.2%	Y	N	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5.2%	E	/
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	4,487	22.1%															11.5%		
Thereof enabling activities	4,487	100.0%															100.0%	E	
Thereof transitional activities	0	0.0%															0.0%		/
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of batteries	CCM 34	569	2.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.3%		
Manufacture of other low carbon technologies	CCM 36	2,001	9.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								14.8%		
Manufacture of plastics in primary form	CCM 317	176	0.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Transport with motorbikes, passenger cars and light commercial vehicles	CCM 65	152	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Acquisition and ownership of buildings	CCM 77	353	1.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	3,251	16.0%															17.6%		
A. OpEx of taxonomy eligible activities (A.1+A.2)	7,738	38.1%															29.1%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)	12,614	61.9%																	
TOTAL (A + B)	20,352	100.0%																	

Proportion of OpEx/Total OpEx	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	22.1%	38.1%
CCA	0.0%	38.1%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Standard templates for the disclosure referred to in Article 8(6) and (7)

In addition, the Taxonomy Regulation requires the publication of an additional template in accordance with Article 8(6) and (7) with regard to activities in the nuclear energy and fossil gas sectors.

Since POLYTEC does not carry out any economic activities in this area, the following reporting form can be answered with "No" throughout. Subsequently, for this reason, there is no need to report the associated further reporting forms.

The information referred to in Article 8(6) and (7) shall be presented for each applicable key performance indicator (KPI) in the following manner.

Template 1 – Nuclear and fossil gas activities

Row	Activities	
Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for 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

ESRS E1 CLIMATE CHANGE

Governance

Disclosure requirement in the context of ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

In accordance with the current remuneration policy, no climate-related incentive systems related to the reportable GHG emission reduction targets have currently been agreed at POLYTEC. In this respect, no climate-related considerations had to be included in the evaluation of the remuneration of the management bodies or the board of directors in E1.

Strategy

Disclosure Requirements in Connection with ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In 2024, POLYTEC conducted a comprehensive resilience analysis along the entire value chain to identify the resilience of the business model to climate-related risks and opportunities. The time horizons were defined according to ESRS 2 and both physical risks (e.g. extreme weather events) and transition risks (e.g. market shifts and regulatory requirements) were analysed.

Recognized climate scenarios, including the IPPC 1,5°C pathway and the RCP 2.6, 4.5 and 8.5 climate scenarios up to 2050, were used to assess the potential impact on the business model and strategy. The result, taking the RCP 8.5 climate scenario model into account, shows that an annual loss of over EUR 15 million is to be expected in 2050. Specific information on the analysis can be found in the item ESRS 2 IRO-1.

The decline in sales of combustion vehicles due to customer requirements and the market shift towards a more climate-friendly economy was identified as a significant climate-related transition risk. The potential annual financial impact is estimated at over EUR 10 million in the medium and long term. At the same time, this presents the opportunity to expand the product portfolio for electromobility, in which an annual potential of over EUR 25 million is expected in the long term.

These results of the resilience analysis are directly incorporated into POLYTEC's investment decisions and capital allocation. This includes investments in new production plants to expand the electromobility portfolio,

the expansion of photovoltaic systems at production sites, and measures for climate-resilient infrastructure.

In order to continuously ensure the resilience of the business model, the resilience analysis will be updated annually and will be directly incorporated into POLYTEC's capital allocation and investment strategy. In the short term, the focus is on the implementation of measures to reduce greenhouse gas (GHG) emissions and increase energy efficiency. In the medium term, POLYTEC GROUP will concentrate on establishing sustainable production processes and adapting its product portfolio. In the long term, the entire value chain is to be transformed towards climate-neutral production.

Impacts, risks and opportunities management

Disclosure requirement in the context of ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

In order to identify the main climate-related effects, and opportunities and thereby recognize physical and transition risks, POLYTEC carried out the double materiality analysis for the first time in the reporting year and considered the results of the climate risk and vulnerability analysis. In each case, the time horizons defined in accordance with ESRS 2 (see ESRS 2 BP-2) were applied, which are based on the expected life of its assets oriented on POLYTEC's strategic planning horizons and capital allocation plans. In addition, changes in the areas of politics and law, restructuring of the markets, technological developments and changes in the image of POLYTEC were also taken in the analyses into account.

Double materiality analysis

The double materiality analysis was carried out based on the ESRS guidelines over a period of several months, for the company itself, as well as the upstream and downstream value chain. The assessment of the financial materiality and the company's impact on climate change was based on the probability of occurrence, scope, magnitude, as well as the irreversibility of negative impacts. For the analysis a climate scenario, which limits global warming to 1.5°, was considered.

The results showed that greenhouse gas emissions play a key role in climate change and have significant negative impacts. These are primarily caused by direct and indirect emissions in the core process (Scope 1 & 2), the use of petroleum-based raw materials, and the transportation of products and waste. Positive effects can be generated by

supporting energy transition and decarbonization, for example by manufacturing components for e-mobility and renewable energy units, as well as by reducing own emissions through self-generated renewable energy.

POLYTEC evaluates its actual and potential impacts on climate change by means of a systematic procedure for determining and analysing its GHG emissions. Here, emissions in Scope 1, Scope 2 (location- and market-based) and, since 2024, significant Scope 3 categories are systematically recorded. The calculation is based on recognized emission factors, including those from the International Energy Agency (IEA), the German environment agency, environmental protection agency (EPA), and Ecolnvent. Through regular data collection and monitoring processes, POLYTEC ensures that emission sources are precisely recorded, and reduction potentials are identified.

Market trends, expected regulatory adjustments, and the geographical characteristics of the locations were taken into account to determine the main climate-related transition events. The potential transition events were derived from this, and the material risks and opportunities were determined according to their financial impact, probability of occurrence, and strategic relevance. The decline in sales due to the switch to e-mobility, as well as changes in user behaviour and stricter customer requirements, were identified as a significant climate-related risk. At the same time, two material climate-related opportunities were identified: increasing energy independence through the generation of renewable energies for self-consumption and the expansion of the POLYTEC product portfolio in the field of e-mobility.

The double materiality analysis is updated annually, and greenhouse gas emissions are regularly recorded and reviewed. The aim is to identify actual and potential future sources of greenhouse gas emissions at an early stage, along with other climate-related impacts across the value chain. The knowledge gained is continuously incorporated into the further development of the "Go neutral 2035" climate strategy and supports emission reduction targets along the entire value chain.

Climate risk- and vulnerability analysis

The climate-related physical risks in the company's own operations were determined as a part of climate risk and vulnerability analysis. The climate scenarios RCP 2.6, 4.5 and 8.5 and the time frame up to 2050 were selected for the assessment. The process involved a qualitative and quantitative analysis of exposure and vulnerability to the

most significant climate-related chronic and acute hazards. On the one hand, the operating sites were evaluated (size, structure, age, property value, etc.), on the other hand their exposure to climate hazards, associated potential effects and the sensitivity of the site were assessed.

The location-based risk analysis evaluated the vulnerability of assets and business activities to physical climate hazards. The probability, scale and duration of potential hazards were considered for the specific geographical coordinates of the sites. The analysis is based on well-founded climate scenarios of the IPCC and includes not only moderate climate change (RCP 2.6), but also climate scenarios with high emissions and strong climatic impacts (RCP 8.5). This ensures that physical climate risks can be realistically assessed and targeted measures for adaptation and risk minimization can be derived.

The result of the analysis shows that the greatest impacts are caused by heat waves and temperature fluctuations. They lead to damage to the elastic modules of components, increased electricity consumption costs, and loss of productivity. Potential annual losses over EUR 13 million have been calculated. Heavy rainfall also plays a role, but with a significantly lower damage potential of around EUR 1 million.

Conclusion

POLYTEC has identified assets and business activities that pose challenges in the transition to climate neutrality. Production processes, materials and products were examined regarding their compatibility with CO₂ reduction, energy efficiency, and the EU taxonomy (EU 2020/852).

While many areas are already geared towards sustainability, energy-intensive processes and materials that are difficult to replace require additional measures. POLYTEC is therefore working on alternative materials, energy-efficient processes, and renewable energies in order to promote this transformation and achieve climate neutrality in the long term.

The financial assumptions in the financial statements reflect these factors, for example by considering potential cost increases due to CO₂ regulations and increasing energy prices, as well as investments in sustainable technologies and products. In addition, market changes and regulatory developments are monitored and compared with financial planning. This ensures that climate-related risks and opportunities are consistently incorporated into financial planning.

Disclosure requirement E1-2 – Policies related to climate change mitigation and adaptation

With its "Go Neutral 2035" initiative, POLYTEC is pursuing a group-wide climate strategy to reduce GHG emissions, manage climate-related risks and seize opportunities. The aim is to achieve CO₂-neutral production by 2035, taking location-specific circumstances into consideration.

This strategy addresses material climate-related impacts that were identified through the double materiality analysis. These are mainly caused by GHG emissions along the entire value chain, mainly in the following areas:

- Production of raw materials and intermediate products
- GHG emissions from stationary and mobile combustion, refrigerant use and process emissions (Scope 1)
- Indirect GHG emissions through the purchase of energy in the form of electricity and heat (Scope 2)
- GHG emissions from transport (Scope 3)

At the same time, POLYTEC contributes to reducing emissions through the production of e-mobility components and self-generated renewable energy.

The double materiality analysis also made it possible to identify the financial impact on the company in the form of material transition risks and opportunities.

In order to counteract the existing impacts and risks and to make use of opportunities, policies have been established in five different areas:

1) Climate protection

In the area of climate protection, POLYTEC focuses on the reduction of GHG emissions along the value chain and already takes CO₂ emissions into consideration during the procurement of plants and machines. Moreover, the company integrates sustainability requirements into the supply chain via the POLYTEC [Code of Conduct for Suppliers](#) and intends to take greater account of the CO₂ footprint when awarding transport contracts. In addition, more efficient packaging and logistics management shall reduce the number of transports and thus emissions. For the future, the replacement of energy-intensive production machinery and the conversion of processes to gas substitution are planned.

2) Adaptation to climate change

In order to minimize the risk and counteract the market development towards lower-emission technologies, POLYTEC is continuously expanding its product portfolio in the field of e-mobility. This is intended to achieve a

strategic adaptation to the changes in the automotive industry. To realize additional long-term adaptation to climate change, the company intends to share its own sustainability requirements and customer requirements with the supply chain.

3) Energy efficiency

POLYTEC relies on comprehensive energy management to continuously optimize its energy consumption. Thanks to the ISO 50001 certified energy management system, potential savings are identified and implemented in a targeted manner. Other core elements include reducing energy consumption through new investments in machinery and equipment, and the refurbishment of buildings.

4) Use of renewable energies

POLYTEC encourages the gradual conversion to green electricity and is increasingly focusing on the in-house production of renewable energy. Since the base year 2020, more than half of the sites have been using green electricity, and further conversions of 3 sites are already planned for 2025. In addition, some facilities are already producing their own renewable energy with newly installed photovoltaic systems, and further expansion is planned. The use of power purchase agreements (PPAs), especially with a focus on wind power, is currently being examined as a supplement to PV generation. The conclusion of the first PPA is planned for 2027/2028, when existing electricity supply contracts expire.

5) Other

In addition to the above-mentioned policies, POLYTEC focuses on research and development of sustainable materials, aiming to further advance decarbonization of the company and the entire value chain. The Engineering department is continuously working to reduce the ecological footprint. Additional considerations in the areas of circular economy, waste management, and green mobility also help to reduce emissions and increase resources efficiency.

Moreover, emphasis is placed on raising awareness of sustainable issues among employees. Training courses and targeted communication measures on climate-related topics, energy efficiency, and sustainable behaviour are intended to create an overall awareness of environmentally friendly action and to promote active participation in the company's sustainability goals.

Supervision and monitoring

The implementation of the climate strategy is managed by the top management level, which is also responsible for integrating it into the corporate strategy. An [ambition paper](#) was formulated, which was recognized and signed by the Board of Directors.

Progress is monitored through regular monitoring and internal and external review processes. Relevant key figures, such as the development of Scope 1 and 2 emissions and, in the future, Scope 3, are continuously monitored and compared with the strategic targets.

In addition, the annual findings from the ISO 14001, ISO 50001 audits, and internal energy and environmental management programs are incorporated into the strategic considerations. POLYTEC actively takes the interests of the most important stakeholders into account, especially regarding sustainable procurement, energy efficiency measures, and circular economy.

Disclosure requirement E1-3 – Actions and resources in relation to climate change policies

The main impact of the company's operations on the environment is the emission of greenhouse gases (GHG), which contribute significantly to climate change. As part of the POLYTEC's [pathway to decarbonisation](#), measures have been defined and ambitious targets have been set to mitigate these effects.

1) Climate protection

POLYTEC's climate strategy includes numerous measures for decarbonization. The company focuses on reducing GHG emissions in its own operations and, as far as possible, along the value chain. Important measures include the selection of sustainable raw materials and suppliers, enhancement of energy efficiency in production, and reduction of greenhouse gas. For the downstream value chain, the focuses are on recyclability, optimizing use of materials, and lightweight design concepts to reduce CO₂ in the use phase.

A central focus in its own operations is the reduction of energy consumption and the associated emissions. Among other things, POLYTEC addresses the modernization of inefficient production facilities and energy-saving measures. In addition, the use of waste heat as a substitution measure is gaining in importance. Furthermore, POLYTEC tries to increase the use of recycled raw material and optimize the use of production waste. In addition, improvements in logistics, for example more efficient route planning, better load utilization, and

standardized packaging are intended to reach further reduction of emissions.

2) Adaptation to climate change

POLYTEC relies on the continuous development and optimization of products in the field of e-mobility and lightweight design to actively shape the change in the automotive industry. The systematic integration of environmental and climate criteria into supplier selection reduces climate-related risks throughout the value chain.

To identify climate-related risks of operation sites at an early stage, a site-specific risk analysis for all POLYTEC plants has been carried out annually. In this way, necessary adaptation measures can be identified and implemented in good time.

Another focus is on research and development of climate-friendly materials. POLYTEC is continuously working on increasing the use of recycled raw material and sustainable materials, developing of new recycling options in order to ensure resource-saving production in the long term.

3) Energy efficiency

In accordance with the Energy Efficiency Act and the environmental and energy management systems (ISO 14001 and ISO 50001), the company implements targeted measures to increase energy efficiency, ensuring that legal requirements are met. The key measures include the gradual conversion to green electricity, the integration of power purchase agreements by 2027/2028 and the energy efficiency optimization of plants.

The external certifications are supplemented by an internal energy efficiency action plan. A key component of the measures is the annual management review, in which each site assesses the status quo on various topics, compares it with the previous year, and defines concrete measures for the following year, in case of deterioration or lack of improvement.

In addition, specific energy audits are carried out with action plans. In the Netherlands, a state-sponsored energy audit is also being carried out, which shows further potential for increasing energy efficiency. In Germany and Austria, energy-saving measures are evaluated according to the VALERIE methodology and published.

POLYTEC has created its own tool for managing energy-saving measures. In 2024, a saving of 1,929 MWh of electricity and 402 MWh of gas was achieved. This is a GHG

emission reduction of 688 tCO₂e in total. The table below breaks down the savings achieved by energy type and country:

Country	Type	Savings (MWh)	Reduction (tCO ₂ e)
AT	Electricity	789	110
CZ	Gas	228	46
DE	Gas	50	10
	Electricity	1,105	483
NL	Gas	124	25
	Electricity	35	14
Total		2,331	688

4) Use of renewable energies

The important measures of renewable energy in 2024 are the commissioning of the PV systems in Lohne and the expansion of existing PV systems in Hörsching. An annual yield of around 1,500 MWh is expected from the PV systems. They secure a CO₂-neutral power supply in the long term and contribute to the expansion of renewable energies. Although they are not directly associated with any CO₂ savings, as the purchased electricity is already green, this measure contributes to the company's sustainable energy independence and energy security.

Further investments in the company's own renewable energy production, energy efficiency improvement of production facilities, and alternative technologies for CO₂ reduction are planned for the coming years. In the long term, the substitution of gas is also planned, although the implementation depends on technological advances and is not expected to be realized until 2030.

5) Other

Implementing the climate strategy requires significant operational (OpEx) and capital expenditure (CapEx). For this reason, POLYTEC regularly examines sustainable financing instruments such as green bonds and loans, as well as government subsidies to support investments in renewable energies, energy efficiency and CO₂ reduction. In the current reporting period, funds were provided in particular for the conversion to green electricity, the expansion of renewable energies, the optimization of production processes, and annual efficiency measures. In addition, investments in research and development (R&D) for the use of low-emission and recycled materials are included in the long-term financial planning. Continued access to financial resources with a low cost of capital remains a key factor.

Corresponding investments in energy efficiency and sustainable products in the financial year 2024 are reflected in the disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). Likewise, the operating expenses incurred, such as corresponding maintenance costs. Regarding planned investments, POLYTEC has already announced capital expenditures of around EUR 4 million for the financial year 2025.

No complaints on environmentally relevant topics were received via the POLYTEC whistleblower portals in the reporting year, see ESRS G1-3 for details. Accordingly, no direct or demonstrable material negative effects were found that would require remedial actions.

Metrics and targets

Disclosure requirement E1-4 – Targets related to climate change mitigation and adaptation

In line with the "Go Neutral 2035" strategy, a complete reduction of Scope 1 and 2 emissions to zero is to be achieved by the target year. In addition, emission targets for the upstream and downstream supply chain are planned based on Scope 3 emissions. The overarching goal is to achieve full decarbonization by 2050, which would be in line with the European Green Deal's goal.

The specific combined intermediate targets for Scope 1 and 2 are as follows: For the 2025 financial year, the ambitious target is set to reduce combined emissions to 21,000 tCO₂e, which would correspond to a reduction of 55% compared to the base year 2020 (46,537 tCO₂e). By 2030, further 3,500 tCO₂e are to be decarbonized, which corresponds to an additional reduction of approx. 8% to 17,500 tCO₂e. The goal of CO₂-neutral production (net zero) for Scope 1 and 2 by 2035 remains unchanged.

In order to achieve CO₂-neutral production, the goals were specified as follows:

Short- to medium-term target (by 2030)

- Increasing energy efficiency through targeted measures to reduce consumption and optimize processes
- Conversion to CO₂-neutral energy sources by switching to green electricity and expansion of photovoltaic systems at POLYTEC sites, as well as long-term Power Purchase Agreements (PPAs) until 2027/2028
- Obtaining 90% of the electricity mix from CO₂-neutral sources

- Increased integration of climate criteria into the supply chain (Code of Conduct and Code of Conduct for Suppliers)
- Achieving the targets of reducing environmental impact and improving energy efficiency according to ISO 14001 and 50001

Long-term target (by 2035)

- Substitution of fossil fuels, by phasing out the use of natural gas, as far as technologically possible
- Increasing the share of recycled and sustainable materials

Very long-term target (by 2050)

- Reduction of Scope 3 emissions to net zero, beginning with analysis results from 2024

The main levers and their expected contribution to emission reduction are:

- Energy efficiency, process optimization, and consumption reduction are expected to save 15% of Scope 1 and 2 emissions by 2030
- Conversion to renewable energies (incl. use of green electricity) and expansion of photovoltaic systems, as well as long-term Power Purchase Agreements (PPAs) enable a reduction of over 30% of emissions
- Fuel switching and gas substitution or the use of alternative energy sources only has a long-term effect (between 2030 and 2035) and has a savings potential of around 55%

Background information and assumptions

The targets refer to a relative reduction of greenhouse gas emissions, which measured in tCO₂e per year, and extend to all POLYTEC sites. The objectives are based on a combination of internal calculations, regulatory requirements (EU taxonomy, European Green Deal), and scientific findings (e.g. IPCC emission scenarios). Although there is currently no external validation by organizations such as the Science Based Targets initiative (SBTi), the targets have been aligned with limiting global warming to 1.5°C. The requirements of the EU Green Deal, in particular the target of climate neutrality by 2050, serve as an overarching vision.

Various scenarios were included to set the emission reduction targets, including future regulatory developments, market requirements, and technological advances. Future developments, such as changes in sales volumes and changes of customer preferences or regulatory requirements, are continuously evaluated and integrated into the strategy. The reduction targets are gross targets, i.e. the removal of greenhouse gases, the use

of CO₂ certificates, or the offsetting of avoided emissions are not considered as a means of achieving the GHG emission reduction targets.

Monitoring

POLYTEC has integrated sustainability requirements into its business strategy. Investment approvals are always given by management and by plant management to ensure the involvement of top management and to obtain a central overview.

The achievement of goals is tracked through regular internal audits and the annual management review, where the progress is evaluated, and new measures are introduced. Specific progress indicators, in particular for Scope 1 and Scope 2 emissions, are recorded and analysed annually in order to review the effectiveness of the measures.

The consideration of all GHG emissions (Scope 1, 2 and 3) ensures the holistic establishment of the decarbonization strategy. In addition, the targets are directly related to the material impacts, risks and opportunities identified in the double materiality analysis.

Conclusion

POLYTEC recognizes the necessity of adaptation of the products and service portfolio as part of decarbonization. Increasing demands on climate-friendly materials and processes require the continuous integration of new technologies. The transformation towards low-emission processes depends on technological progress and their economic feasibility, which is why POLYTEC is continuously working on their integration into the value chain.

Disclosure requirement E1-5 – Energy consumption and mix

The table below gives a detailed overview of POLYTEC's energy consumption. It contains information on the total amount of energy usage and the composition of the primal energy sources. Total energy consumption is divided by energy sources to ensure a transparent presentation:

Total energy consumption (in MWh)	2024
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	4,152
Fuel consumption from natural gas	62,227
Fuel consumption from other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	14,874
Total fossil energy consumption	81,253
Share of renewable sources in total energy consumption (%)	45.0%
Total nuclear energy consumption	4,257
Share of consumption from nuclear sources in total energy consumption	2.4%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	93,512
The consumption of self-generated non-fuel renewable energy	1,487
Total renewable energy consumption	94,999
Share of renewable sources in total energy consumption (%)	52.6%
Total energy consumption	180,509

In addition to self-generated renewable energy through photovoltaic systems (1,487 MWh in 2024), POLYTEC also generates electricity and heat via a combined heat and power plant (CHP) located in Austria. In 2024, 987 MWh of electricity was generated in this way, of which 577 MWh were consumed by the company itself, and 410 MWh were fed into the grid.

Energy intensity based on net sales

POLYTEC belongs to the plastics processing industry, which is considered an energy-intensive sector. The company's activities fall into the climate-intensive sector or NACE sector C: Manufacturing/Manufacturing of goods. The following table shows the total energy consumption and net sales revenues, and puts them in relation to each other:

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors (MWh)	180,509
Net revenue from activities in high climate impact sectors (million EUR)	678
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/m EUR)	266

Connectivity of energy intensity based on net sales with financial reporting information

In the 2024 financial year, consolidated net sales of 677,831 thousand Euro were generated (see consolidated income statement). This turnover figure corresponds to the net turnover used to calculate the energy intensity. There are no other revenues.

Disclosure requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The following table provides an overview of gross GHG emissions according to Scope 1, 2 and 3. In addition, Scope 3 emissions are broken down by relevant subcategories to enable a detailed assessment of indirect emissions along the value chain. Finally, the sum of total GHG emissions is also presented:

in tCO ₂ e	2024
Gross Scope-1-GHG-emissions	14,220
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	39,904
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	10,230
Significant scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	2,784,180
1) Purchased goods and services	542,258
2) Capital goods	13,024
3) Fuel and energy-related Activities (not included in Scope1 or Scope 2)	8,276
4) Upstream transportation and distribution	3,727
5) Waste generated in operations	7,554
6) Business traveling	304
7) Employee commuting	4,025
8) Upstream leased assets	165
9) Downstream transportation	50,546
11) Use of sold products	2,152,528
12) End-of-life treatment of sold products	1,774
* Biogenic GHG emissions (separate from gross GHG emissions)	72
Total GHG emissions	
Total GHG emissions (location- based)	2,838,303
Total GHG emissions (market-based)	2,808,629

Scope 1 GHG gross emissions

Since 2020, POLYTEC has been recording the direct greenhouse gas emissions generated by the operation of its own plants, machines, and vehicles within the organization. This includes the consumption of natural gas, fuels and emissions from refrigerants. In the reporting year, emissions were below the previous year's level due to the implementation of energy saving measures and consumption reduction measures at some locations.

Scope 2 GHG gross emissions

Scope 2 emissions include all indirect greenhouse gas emissions caused by the purchase of electricity, heating and cooling. In the reporting year, these emissions were recorded and calculated using both market-based and location-based methods for the first time. This led to an adjustment of the calculation method and thus changes in the overall result.

The following table shows Scope 1 and Scope 2 emissions (both location-based and market-based) broken down by location and country:

in tCO ₂ e		2024		
Site location	Country	Scope 1	Scope 2 (Location-based)	Scope 2 (Market-based)
Ebensee	AT	51	3,035	0 ¹⁾
Hörsching	AT	1,638	782	2
Schoten	BE	53	35	-
Tianjin	CN	5	1,585	1,148
Chodová Planá	CZ	1,552	3,539	2,036
Altenstadt	DE	857	184	-
Gochsheim	DE	2,072	3,067	-
Lohne	DE	674	7,417	1
Thannhausen	DE	69	257	-
Voerde	DE	1,128	2,324	-
Weierbach	DE	2,036	3,041	0 ¹⁾
Wolmirstedt	DE	23	3,014	-
Komló	HU	300	454	405
Roosendaal	NL	737	6,218	1
Sládkovičovo	SK	829	459	385
Detroit	US	133	164	159
Bridgnorth	UK	34	31	52
Bromyard	UK	830	815	1,374
Telford	UK	1,194	1,172	1,976
South Africa	ZA	7	2,312	2,690
POLYTEC GROUP		14,220	39,904	10,230

¹⁾ Value above 0, below 0.5

The use of green electricity has already significantly reduced Scope 2 emissions compared to the base year 2020. The aim is to supply all sites with renewable energies to achieve further reduction of indirect emissions. The distinction between market-based (actual data provided by electricity supplier) and location-based (average national energy mix) allows more accurate assessment of progress along the decarbonization pathway. Since energy suppliers consider their emissions from renewable and biogenic energy sources as carbon neutral with emission factor at zero tCO₂e/kWh, the biogenic carbon emissions are not considered in the calculation of Scope 2 emissions

Scope 3 GHG gross emissions

Scope 3 emissions include all indirect greenhouse gas emissions that occur along the upstream and downstream value chain, which are not directly under the company's control. The Greenhouse Gas Protocol defines 15 categories

for this purpose, of which 11 have been identified as relevant for POLYTEC. The main drivers of emissions within the company are categories 3.1 "Purchased goods and services" and 3.11 "Use of products sold". The following categories of Scope 3 emissions were omitted due to lack of relevance:

- Scope 3.10: No significant further processing of finished products by the customer
- Scope 3.13: No plants, machines, vehicles or buildings will be rented to third parties
- Scope 3.14: Exclusion, as no franchise relationships are operated
- Scope 3.15: Emissions in this category are already included in Scope 1 and 2, as investment entities are under the company's operational control

POLYTEC consumes heat from a wood chip plant at its site in Ebensee. These biogenic emissions, as well as emissions from electricity generated by biomass, are reported under the Scope 3.3 category. In the detailed table on Scope 3 emissions, which are listed per country and category, the biogenic emissions are shown separately.

Scope 3 emissions were calculated using a spreadsheet program. The emission factors used for calculation are from recognized scientific data banks, including Ecolnvent, EPA (Environmental Protection Agency, USA), Exiobase, BAFA (German Federal Office of Economics and Export Control) and the Austrian federal environment agency (UBA). As far as possible, the emissions were calculated based on the actual quantities, distances or consumption (average data method). If the relevant data was not available internally, the calculation was carried out on a spend-based basis. For some categories, the hybrid method was chosen, where one part was calculated using the quantity-based method and the rest using the spend-based method. The basic data always stems from the company's own information, with the exception of certain assumptions and thus extrapolated data.

As this is the first year of the calculation of Scope 3 emissions, the data quality of some sites is incomplete, which is why extrapolation based on sales volume had to be made to ensure full coverage of emissions.

The table below provides detailed emission values in tCO_{2e} for each relevant POLYTEC Scope 3 category, broken down by country.

Country	3.1.	3.2.	3.3.	3.3. ¹⁾	3.4.	3.5.	3.6.	3.7.	3.8.	3.9.	3.11.	3.12.	Sum
AT	122,474	3,046	1,528	7	708	1,078	76	610	31	5,715	174,844	333	310,443
BE	4,170	-	21	-	24	7	0 ²⁾	31	-	341	26,579	15	31,187
CN	6,931	19	108	0 ²⁾	40	36	3	60	-	566	37,282	24	45,069
CZ	2,469	1,871	593	1	127	387	0 ²⁾	119	29	2,276	118,940	109	126,919
DE	352,271	7,325	3,557	57	1,945	3,939	160	2,113	48	33,416	1,170,091	838	1,575,703
HU	8,712	413	181	-	85	294	1	228	-	161	84,599	52	94,725
NL	27,167	-	881	-	301	554	46	288	-	4,235	247,299	189	280,960
SK	1,379	350	322	1	327	365	0 ²⁾	137	0 ²⁾	2,096	82,080	60	87,116
US	480	-	47	-	19	1	5	29	0 ²⁾	336	9,864	6	10,787
UK	11,559	-	950	6	117	870	12	360	57	1,156	151,931	123	167,135
ZA	4,647	-	88	-	35	23	-	49	0 ²⁾	249	49,018	24	54,133
Sum	542,258	13,024	8,276	72	3,727	7,554	304	4,025	165	50,546	2,152,528	1,774	2,784,180

¹⁾ Biogenic GHG emissions (separate from GHG Scope)

²⁾ Value above 0, below 0.5

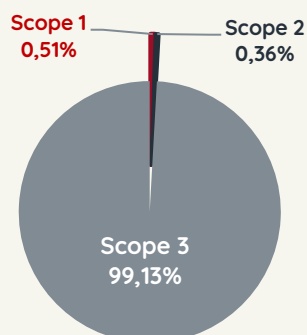
Total GHG emissions

Greenhouse gas emissions were calculated according to the "Green House Gas Protocol Corporate Standard" and the "Corporate Value Chain" of the World Resource Institute and the WBCSD. The organizational boundaries for GHG calculation are based on the "operational control approach" of the GHG Protocol. Accordingly, every organization that operates under the name of POLYTEC Holding AG is included in the organizational boundaries.

In the reporting year, full greenhouse gas emissions were reported for the first time. In addition to direct emissions from Scope 1 and indirect emissions from Scope 2, Scope 3 emissions across the upstream and downstream value chains were now also calculated. Moreover, this year, a distinction between the market-based and location-based methods was made for the first time in the Scope 2 area, which enables an even more precise presentation of the

emissions balance. The chart below shows the relation of three scopes in percent:

Total GHG emissions 2024



Greenhouse gas intensity based on net sales

The following table shows the total GHG emissions in relation to net sales revenue and shows the distinction between the location-based and market-based calculation method:

in tCO ₂ e/EUR Mio.	2024
Total GHG emissions (location-based) per net revenue	4,187
Total GHG emissions (market-based) per net revenue	4,144

Connectivity of greenhouse gas intensity based on net sales with financial reporting information

The connectivity of greenhouse gas intensity is based on net sales results from the ratio of total GHG emissions to total net sales revenues. Since the company does not report any other net sales, the total net revenue of the POLYTEC GROUP was used to calculate greenhouse gas intensity. This key figure makes it possible to show the company's climate impact in relation to its economic performance and provides an important basis for assessing emissions reductions in the coming years.

ESRS E2 POLLUTION

ESRS 2 General disclosure

As part of the POLYTEC sustainability strategy, the company pursues a holistic approach to preventing and reducing environmental pollution along the value chain. Responsibility for implementing such measures lies with the Board of Directors, while the operating units are responsible for collecting environmental data and monitoring regulatory requirements.

The company's approach includes the identification of major sources of pollutants, especially emissions to air, water and soil, as well as the implementation of preventive measures, and compliance with regulatory requirements.

Regular monitoring and reporting are carried out within the framework of the company's internal environmental management system, which is certified in accordance with ISO 14001. Through the continuous collection and analysis of environmental data, POLYTEC creates transparency and improves its own performance in the field of environmental pollution.

Impacts, risks and opportunities management

Disclosure Requirement in the Context of ESRS 2 IRO-1 – Description of the process to identify and assess the material pollution-related impacts, risks and opportunities

As part of the double materiality analysis, a systematic review of the company's own sites and business activities related to environmental pollution was carried out. The analysis of the entire value chain did not identify any significant direct environmental pollution from the company's own business activities.

However, potential negative impacts were identified in the upstream value chain, primarily through water and soil pollution in the production of raw material and extraction processes.

The assessment was carried out in accordance with ESRS 2 IRO-1 using the methods defined therein. If material risks or opportunities are identified in the future, the detailed categorization of suppliers can be carried out according to product groups. Relevant stakeholders were indirectly involved in the analysis to assess the potential impact.

Disclosure requirement E2-1 – Policies related to pollution

In the absence of a direct influence of the company's own business activities on environmental pollution in the upstream value chain, no specific policy had to be developed.

Disclosure requirement E2-2 – Actions and resources related to pollution

In the absence of a direct influence of the company's own business activities on environmental pollution in the upstream value chain, no specific measures had to be developed.

Metrics and targets

Disclosure requirement E2-3 – Targets related to pollution

POLYTEC has currently not set any measurable results-oriented targets, as no corresponding policy has yet been developed. However, the sustainability strategy is continuously reviewed to assess whether and when suitable policies or measures will be implemented. Since POLYTEC has not currently defined any corresponding policies or measures, there is no monitoring of impacts and therefore there are no specific targets, qualitative or quantitative indicators to assess progress.

Entity-specific disclosure

Since the standardized ESRS metrics do not reflect the special features of the company and existing key figures were classified as not relevant, an entity-specific key figure was used for E2. An analysis of the supplier management tool showed that no material environmental pollution in POLYTEC's upstream supply chain was reported in the 2024 financial year.

ESRS E3 WATER AND MARINE RESOURCES

Impacts, risks and opportunities management

Disclosure Requirements in the Context of ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The double materiality analysis assessed whether there are material impacts, risks and opportunities related to water and marine resources. The analysis included a systematic review of the company's own assets, business activities, and the upstream and downstream value chain. Recognized assessment methods and sector-relevant frameworks were used.

The results show that the topic of water and marine resources was not classified as material for POLYTEC. This is particularly because the company's operations do not cause significant water consumption or have a significant impact on aquatic ecosystems. Accordingly, no more detailed analyses or measures are planned.

Due to the lack of materiality of the topic, no consultations with stakeholders were carried out. If future analyses reveal material topics, the interests of the stakeholders will be also considered.

Disclosure requirement E3-1 – Policies related to water and marine resources

There is currently no policy for this sustainability aspect, as it was identified as non-material in the double materiality analysis.

Disclosure requirement E3-2 – Actions and resources related to water and marine resources

There are currently no measures for this sustainability aspect, as it has been identified as non-material in the double materiality analysis.

Metrics and targets

Disclosure requirement E3-3 – Targets related to water and marine resources

POLYTEC has currently not set any measurable results-oriented targets, as no corresponding policy has yet been developed.

Since this area is not essential for POLYTEC, there is currently no specific follow-up of the effectiveness of policies and measures in this area. As long as this assessment does not change, no policy, measures, or goals are planned. There are currently no defined targets, qualitative, or quantitative indicators to assess progress.

Disclosure requirement E3-4 – Water consumption

As water consumption has been disclosed in previous annual reports and there is ongoing stakeholder interest, the total consumption is also reported for the financial year 2024. This amounted to 126,765 m³ across the group.

ESRS E4 BIODIVERSITY AND ECOSYSTEMS

Disclosure Requirements in Connection with ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The POLYTEC GROUP operates a total of 21 production sites in 11 countries, all of which are considered as material, as they cause emissions, consume raw materials, and generate waste due to their industrial activity. In addition, all locations are subject to the Group's operational control.

In rare cases, POLYTEC constructs new production sites or expands existing buildings and halls. In individual cases, this can lead to changes in land use or land sealing. However, the assessment of these impacts carried out in the double materiality analysis showed that these construction activities are not to be classified as material.

Another non-material situation was identified at the Telford site in the UK due to the relocation of employee parking lot to vacant areas next to the plant. Clarification is currently being sought with the local nature conservation authority, whether there are licenses necessary for construction work in an area protected for the crested newt, and corresponding applications have been made for the extension of the licenses. The analysis therefore showed that none of the sites has a material direct negative impact on biodiversity. The operating activities therefore did not lead to any significant impairment of natural ecosystems in the past financial year.

In rare cases, new areas are developed for new production sites. In doing so, POLYTEC always complies with the legal requirements and takes all environmental aspects and regulations into account to minimize negative impacts. Due to the low frequency of such new constructions and compliance with all environmental requirements, this impact was classified as non-material in the double materiality analysis.

The POLYTEC GROUP does not carry out any activities that have a direct impact on endangered species. The relocation of the parking lot in Telford, UK is being clarified and managed with the help of various consultants, endeavouring to further assess the impacts of construction on the crested newt within the framework of local environmental regulations to avoid a threat.

Impacts, risks and opportunities management

Disclosure requirement in the context of ESRS 2 IRO-1 – Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

As part of the double materiality analysis, the POLYTEC GROUP has identified material impacts, risks, dependencies, and opportunities in the area of biodiversity and ecosystems. The methodology is the same as for all other thematic areas and is described in Section IRO-1 of ESRS 2.

It was determined that the company's production sites do not have any material negative impact on biodiversity or ecosystems, as they are located in developed areas and do not cause significant interference with natural habitats. This assessment is based on a well-founded location analysis with recognized geographical data.

A material negative impact was only identified in the upstream value chain in connection with raw material

extraction. Certain raw material extractions can affect natural habitats, yet they are outside the direct operational control of POLYTEC.

The company's own sites are not directly dependent on ecosystem services, as no sensitive resources are used. In the upstream value chain, however, there are dependencies on functioning ecosystems, especially in the extraction of raw materials. Due to the low financial materiality of these dependencies, no further detailed assessment was carried out.

Transition or physical risks related to biodiversity were not identified as material. Possible risks in the supply chain, for example stricter environmental regulations or ecological changes, were classified as non-material due to the lack of direct control by POLYTEC. Systemic risks were also not identified, as the production sites are located in industrial or commercial areas.

The company does not conduct direct consultations with affected communities, as no material negative impacts on biodiversity have been identified. Responsibility for consultations lies with the respective raw material suppliers. However, affected communities were included in the stakeholder engagement of the double materiality analysis.

POLYTEC's land use includes storage, production and traffic areas, with minimal impact on ecosystem services. New buildings can cause land sealing, but this is minimized by following legal environmental requirements and conscious selecting of location. Existing buildings are preferred in order to avoid interference with natural areas.

Since no site is located in or near protected areas and no site approval that would trigger a statutory EIA (Environmental impact assessment) was issued as part of ISO 14001 certification, thus there is no need for specific remedial actions.

All POLYTEC GROUP sites are subject to the applicable environmental laws and permitting procedures, including Directives 2009/147/EC (Birds Directive), 92/43/EEC (Fauna, Flora and Habitats Directive), as well as the requirements for environmental impact assessments (EIA) in accordance with Directive 2011/92/EU. These requirements were checked and complied with as part of new construction projects.

Disclosure requirement E4-2 – Policies related to biodiversity and ecosystems

POLYTEC has currently not developed any specific policy regarding biodiversity and ecosystems, as material impacts only arise in the upstream value chain, where neither the sources can be identified nor directly influenced.

Disclosure requirement E4-3 – Actions and resources related to biodiversity and ecosystems

POLYTEC has currently not designed any specific measures regarding biodiversity and ecosystems, as negative impacts only arise in the upstream value chain, where neither the sources can be identified nor directly influenced.

Metrics and targets**Disclosure requirement E4-4 – Targets related to biodiversity and ecosystems**

POLYTEC currently has not set results-oriented targets, as there is neither a corresponding policy nor are there any significant impacts, risks or opportunities. In the future, possible methods for measuring success will be examined. There are currently no set targets or indicators to assess progress

Disclosure requirement E4-5 – Impact metrics related to biodiversity and ecosystem change

No location has been identified that is located in or near protected areas. Therefore, it is not necessary to specify the affected area.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY**Impacts, risks and opportunities management****Disclosure Requirement in the Context of ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities**

The company has assessed its impacts, risks and opportunities in resource use and circular economy as part of the double materiality analysis. To evaluate these aspects, POLYTEC uses various methods, including material flow analyses, life cycle analyses (LCA), and internal data analyses.

The main material impacts are the depletion of non-renewable resources and waste generation. POLYTEC meets these challenges with circular approaches, including

the use of recycled raw materials, waste reduction through recycling, and the development of sustainable products.

There are financial risks related to rising material costs due to scarcity of raw materials and limited material recycling availability. In addition, materials that are difficult to recycle such as SMC, GMT, and LFT could become obsolete in the long term, which would require product adaptations and restrict the choice of materials.

POLYTEC has taken affected communities into account in the double materiality analysis. However, there was no direct exchange with community representatives or residents, etc., as no material negative effects on these groups were identified. No complaints were received via the whistleblower portals in the reporting year.

Disclosure requirement E5-1 – Policies related to resource use and circular economy

No specific policy or measures have yet been developed for this sustainability aspect. In the current financial year, the further development of the sustainability strategy is planned by developing and implementing new policies and measures.

Disclosure requirement E5-2 – Actions and resources related to resource use and circular economy

Although there are currently no specific policies in the sense of the ESRS for the environmental aspect E5, POLYTEC is already implementing a large number of measures that contribute to the conservation of resources and the circular economy.

A significant contribution is made by the reusable containers produced for the food and plant trade, which are cleaned and reused after use. This process can be repeated over 100 times, greatly reducing single-use packaging. At the end of their life cycle, damaged containers are collected and recycled, so 100% of the material is reused for new containers. This closed-loop system is Cradle-to-Cradle certified (Ebensee site, Austria).

In addition, POLYTEC is working on solutions to increase the proportion of post-consumer recycled raw material. For example, the planned expansion of the recycling capacities of the recycling plant in Ebensee is expected to increase the proportion of recycled materials in production from 20% to 50%, which will further reduce the use of primary raw materials. These measures strengthen the circular economy and improve the environmental balance along the value chain.

Metrics and targets

Disclosure requirement E5-3 – Targets related to resource use and circular economy

POLYTEC has not yet developed a complete policy with fixed targets for this sustainability aspect, but circular economy and resource-conserving are already part of strategic considerations. In the current financial year, corresponding policies and goals are to be developed and implemented, including procedures for measuring success, and the definition of targets and indicators for evaluating progress.

Disclosure Requirement E5-4 – Resource Inflows

In a plastics processing company, the most relevant resource inflows are primarily primary raw materials, recycled raw material, packaging, operating and auxiliary supplies, and various purchased parts. Rare earths play a subordinate role in plastics processing, yet they can be important in special applications such as magnetic or conductive plastics. Biological materials also play no role in the company. Therefore, the cascade principle and specific certification systems for organically procured materials are not relevant for the direct production process. Regarding the proportion of biological materials in the packaging used, no reliable data is available for the reporting year. In the future, the possibility of systematically recording this information will be examined to ensure transparent reporting.

The table below lists the most important raw materials and their consumption in the reporting year:

Raw Material	Material consumption (in Tonnes)
PP - Polypropylene	40,123
PA - Polyamide	7,840
ABS - Acrylonitrile Butadiene Styrene	369
PUR - Polyurethane	2,476
Glass fibres	6,923
Resins	3,484
Paints - In-Mould-Coating	1,025
SMC - Sheet-Moulding-Compounds	13,180
Other	6,560
Total raw material consumption	81,979

POLYTEC operates recycling plants at sites in Roosendaal, Ebensee, Lohne, and Wolmirstedt, thus reducing the consumption of primary raw materials. In Roosendaal, material is shredded internally and processed externally, then recycled within the company, resulting in a total of 215

t of material being recycled in 2024. In addition, almost 4 t of injection molding waste were shredded internally and reused directly in production.

At the site in Ebensee, 4,947 t of material were ground and recycled by the company's own recycling plant. In Lohne and Wolmirstedt, plastic waste is collected, ground and processed externally, and returned to POLYTEC, whereby 247 t were reused in Lohne, and 160 t were brought back to the cycle in Wolmirstedt. In addition, recycled raw material was produced in Lohne over a limited period with its own mill as part of a lean project, which resulted in savings of over 7 t. Overall, this results in a total of 5,580 t of materials that were recycled and reused in the company's own production processes in 2024.

POLYTEC uses numerous reusable containers and components, but without reliable information of quantity. There is also a lack of concrete data on recycled or reused materials for packaging materials. Recycled material figures are based on external measurements and internal records. As there are no other data on reused bins other than the 2024 project mentioned in E5-5, the data in E5-4 refer only to recycling quantities in order to avoid double counting.

Disclosure requirement E5-5 – Resource outflows

The company mainly uses thermoplastics and thermosets as well as various auxiliary and operating materials. These durable products are hardly susceptible to measure under normal conditions, only in the case of accidents or extreme environmental influences.

The plastic components outperform the industry average in terms of durability and resistance to mechanical stress, temperature fluctuations, and chemical influences. Because plastic components do not corrode, they are often more durable than metallic alternatives. Their expected lifespan is usually the same as a vehicle and is mainly limited by external factors. Detailed information on this is available to POLYTEC's customers.

Resource-saving solutions are continuously developed in coordination with customers. Since there is no direct influence on the end of life of the products, their recycling depends heavily on customer requirements. Direct reuse is usually not possible, but recycling processes are used to recycle plastics.

75.4% of the primary materials consist of recyclable thermoplastics, which can be mechanically crushed and recycled as secondary raw materials. Thermosets, on the

other hand, are more difficult to recycle due to their chemical stability and are only used in small quantities. Recirculation to the biological cycle is excluded.

In addition to automotive components, the POLYTEC portfolio includes fully recyclable transport boxes for the food sector and plant trays manufactured according to certified cradle-to-cradle principles.

The majority of the packaging consists of reusable pallets as well as recyclable cardboard boxes, paperboard, and wood. In addition, recyclable plastic packaging is used for the most part, although no precise recycling rates are available for the reporting year. In the upcoming financial year, a project is planned to introduce appropriate procedures for relevant data collecting.

Waste

POLYTEC generated a total amount of 9,085 t of waste in the reporting year. The following table shows the amount of waste by hazard classification:

Waste type	Waste amount (in Tonnes)
Hazardous waste	1,241
Nonhazardous waste	7,844
Total waste	9,085

At the POLYTEC GROUP, waste generated during production (rejected parts) cannot be directly reused. Thermoplastic scrap or defective products must first be ground and melted. Defective thermoset components or assembled modules cannot currently be recycled and end up in thermal recovery. The reuse of intact products for their original purpose has not been considered so far. In the reporting year, however, there was a project in Weierbach, in which empty plastic barrels and canisters were returned to suppliers for reuse, saving 5 t of non-hazardous plastic waste. The following table shows the waste quantities differentiated by recycled and disposed quantities. A distinction is made between three recycling and three disposal methods:

Utilization and disposal processes	Waste amount (in Tonnes)
Re-use	5
Material recovery	2,893
Other utilization	4,617
Incineration	81
Landfill	159
Other disposal	1,329
Total waste	9,085

Waste streams

In the POLYTEC production process, various waste-relevant streams are generated, which is typical for plastics processing. Plastic waste is mainly generated during the production of raw parts, such as offcuts, scraps, and production residues. Further processing, for example the painting process, produces old paints and rinsing thinners, which are disposed in accordance with legal requirements or, if possible, recycled. In addition, packaging materials, auxiliary and operating materials, and waste from replacing operating equipment is generated. These are sorted according to material categories and recycled as far as possible or disposed in an environmentally friendly manner. The waste consists of plastics, metals, wood, glass, and paper, as well as critical raw materials and rare earth minerals from electrical appliances, cables, rechargeable and non-rechargeable batteries.

In the 2024 financial year, POLYTEC generated 1,241 t of hazardous waste from the production and there was no radioactive waste generated in the entire Group.

To fulfill the customer's request, POLYTEC calculates the carbon footprints of its products in the early design phase. For this purpose, the method "climate change: total (excl. biogenic CO₂) global warming potential (GWP100)" according to IPCC 2021 is used. The calculations are based on the material composition and the production process to obtain an overview of environmental impact over the entire life cycle. The underlying data comes from direct measurements of production processes and recognized databases for emission factors. Where direct measured values are not available, modelled estimations are used. The basic assumption for the calculations is that materials and production processes are used under standard conditions. POLYTEC is continuously working on the optimization of methods and accurate assessment of the environmental impact of products.

3. SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

Strategy

Disclosure requirements related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In the POLYTEC GROUP, all people from the workforce who may be affected by significant impacts are covered by the disclosures in accordance with ESRS 2. As part of the double materiality analysis, all material effects of the business activities on the company's own workforce were recorded. The analysis included both potential negative and positive impacts regarding the entire value chain.

Possible negative effects include in particular stressful working conditions (e.g. shift work or physically demanding work), health risks due to the handling of chemicals, possible disadvantages and equal opportunities for women, and harassment in the workplace. On the other hand, POLYTEC's business activities also have positive effects on its workforce. These include fair treatment and financial security for employees, measures to promote work-life balance, as well as training and skills development opportunities. In principle, all types of employees and external workers can be affected by these negative and/or positive effects. The workforce at POLYTEC is divided into:

- **Employees:** Permanent employees in various departments (e.g. production, sales, administration).
- **Self-employed:** Self-employed professionals who work for the company on a project-related basis.
- **External workers:** Persons hired by third-party companies, in the field of placement and leasing of workers (e.g. temporary workers).

There were no systemic or widespread adverse impacts identified as part of the double materiality analysis. Negative impacts such as child labour or forced labour are known in certain countries outside the EU, but POLYTEC does not represent these markets. There is no or no material risk of forced or child labour among the POLYTEC workforce itself. The company has also committed to introducing European ESG standards at all locations.

In addition to the absence of systemic or widespread impacts, there are no findings on individual incidents such as industrial accidents in the 2024 financial year at POLYTEC.

The positive impacts result from the measures and structures implemented to promote good working conditions and sustainable personnel development through appropriate remuneration models, social benefits, and compliance with labour law standards. These measures have a positive effect at all plants of POLYTEC. Increasing wage and social-insurance contributions, a shortage of skilled workers, and higher requirements for attractive working conditions pose risks to competitiveness and profitability. A key opportunity lies in increased automation and digitalization, which makes production processes more efficient, reduces workload and accidents, and minimizes downtime. In addition, modern, technology-supported workplaces increase the attractiveness of skilled workers and reduce fluctuation.

POLYTEC is committed to actively managing risks for the workforce and taking advantage of the opportunities to strengthen the corporate culture and ensure long-term success.

The implementation of measures to reduce CO₂ emissions has a direct and indirect impact on POLYTEC's employees. Adjustments in the areas of production, energy, transport, and material use can entail structural changes and are considered in the observation of risks and opportunities. The switch to energy-efficient processes and alternative materials requires new qualifications, but also offers opportunities, as training and further education open up new development prospects for employees. Early involvement ensures that the company remains competitive in the long term. At the same time, change creates uncertainty and thus affects employees' dedication or loyalty, potentially leading to the loss of valuable talent. POLYTEC counters these risks with elaborate information and communication, targeted training measures, and support during the transformation process.

The potential negative impacts on POLYTEC's workforce vary depending on the type of employment, working environment, and field of activity. Permanent employees in production are exposed to higher physical stress, whereas administrative and sales staff are more likely to experience psychosocial stress. Self-employed professionals usually do not have access to social benefits. External workers are compromised from short-term assignments. Rising personnel costs and digitization affect the workforce differently: Digitization offers new development opportunities but also brings a need for training for employees who are less digitally savvy.

The following groups may tend to be more affected:

- Trainees, if companies invest less in training due to cost-saving
- Migrants who may have limited access to further education due to language barriers
- People with disabilities, if investments in accessibility delayed from cost pressure, although automation can also make physically demanding tasks easier
- Employees who require a higher adaptation effort to digital changes due to low or non-specialist qualifications, but who benefit particularly from targeted further training measures

The company meets these challenges with a transparent information policy, qualification measures, and the involvement of the affected employees in transformation processes to ensure equal opportunities.

Impacts, risks and opportunities management

Disclosure requirement S1-1 – Policies related to own workforce

The policies and measures to minimize the identified risks can be classified into three thematic areas focus on:

- Promoting equality and ethical behaviour
- Promoting physical and mental health
- Professional development and employee retention

To this end, the company consistently pursues measures to identify, manage, and mitigate material impacts, risks and opportunities related to its own workforce.

A central task of the company to promote equality and ethical behaviour is to pay attention to human and labour rights. These values are firmly anchored in the POLYTEC [code of conduct](#). In addition, the company has issued a [human rights statement](#) that reaffirms the commitment to fair and safe working conditions, and respect for the fundamental rights of employees. The company's Declaration of Human Rights is based on the UN Guiding Principles on Business and Human Rights, the ILO Declaration of Principles and the OECD Guidelines. The company actively involves employees in human rights-related issues. To this end, it cooperates with employee representatives and uses feedback mechanisms such as employee dialogues, surveys, and interviews in onboarding and offboarding process. For remedial actions against discrimination, etc., internal and external reporting channels have been set up (see ESRS G1) to support

affected employees and to detect and address wrongdoing at an early stage.

The protection of the health and safety of POLYTEC's employees is the highest priority. To promote physical and mental health, numerous workplace safety policies and emergency plans have been implemented, which are guided by the internal information system. The occupational safety indicators are reported via management reporting in the business review meetings and necessary measures are introduced. Targeted occupational health and safety measures ensure that hazards associated with production processes, machines, hazardous substances, emissions, and noise are discovered and minimized at an early stage. The approach includes systematic personal protection, ensuring production and delivery capability, and avoiding potential reputational risks.

To improve working conditions and mitigate further possible negative effects and simultaneously promote work-life balance, the employment contracts at many workplaces in the Group arrange flexible working time models. In addition, a home office policy was established several years ago. With regular evaluations and adjustments, these policies are ensured to be up to date. In most of the plants, employees are financially protected by collective bargaining agreements.

POLYTEC provides trainings and further education programs for professional development of employees and their retention. These programs are designed to address the special needs of different groups and trainings are provided for all employees, regardless of age, gender, or background. These skill development measures strengthen the personal and professional qualifications of the employees and the competitiveness of the company in the long term.

To identify and manage potential negative impacts on employees at an early stage, key performance indicators such as productivity, sickness and accident rates, and fluctuation rates are recorded and analysed on an ongoing basis. This data is regularly reported to senior management to enable consideration in decision-making and ensure continuous improvements in HR processes.

POLYTEC ensures that its policies and guidelines in the field of labour are in line with internationally recognized standards, such as the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD

Guidelines for Multinational Enterprises, particularly the Prevention of Human Trafficking, Forced Labor, and Child Labor.

POLYTEC is actively committed to equal opportunities, social inclusion, and the prevention of any form of discrimination. Discrimination based on gender, age, origin or other personal characteristics will not be tolerated. The Code of Conduct provides the framework, with a transparent recruitment policy ensuring fair and equal treatment of all applicants. The professional development programs are open to all employees, regardless of individual characteristics.

Disclosure requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

The company actively involves the workforce in decision-making processes. Employee Representatives are strong partners at many locations of the POLYTEC GROUP. They are regularly informed about legal requirements and involved in operational decision-making processes. The cooperation takes place within the framework of legally prescribed committees, as well as through company agreements that regulate, among other things, working conditions, health protection, and co-determination. The company does not have a group works council but works closely with Employee Representatives at national and operational level.

Employee inclusion takes place on various stages of the decision-making process. Regular meetings with Employee Representatives and employees serve to exchange information on current topics and to obtain feedback. Informational sessions and training sessions are also organized to introduce planned measures and to promote the active participation of employees.

The company evaluates the effectiveness of the cooperation with employees by key performance indicators, various feedback mechanisms such as informational sessions, employees' meetings, employee dialogues and on- and offboarding interviews. Employees can report deficiencies anonymously at any time via an internal whistleblower portal.

The responsibility for incorporating the results of the surveys into the mission statement and corporate strategy of the POLYTEC GROUP lies with the Board of Directors or the management of the respective legal entity. Operationally, the Head of Human Resources of the respective business unit or plant is responsible for ensuring

the involvement of Employee Representatives and reporting the findings to the management or the Board of Directors.

Disclosure requirement S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

The company has established procedures for identifying and remedying material negative impacts on the workforce. If violations or maladministration are identified, targeted remedial measures are taken, ranging from internal investigations to structural adjustments, depending on the circumstances. Various mechanisms are used to assess effectiveness, including regular risk analyses, internal audits, and local employee surveys. POLYTEC offers various channels for direct communication with employees, including the intranet, a dedicated HR email address, and the internal whistleblower portal for anonymous reporting. The company is also represented on social media. Employees are informed in the onboarding, via the intranet and newsletters, and through regular training in the internal learning management system.

Disclosure requirement S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The company has taken various measures to address the policies mentioned in point S1-1 to avoid, mitigate, and eliminate material negative impacts on employees and is planning further initiatives to address material sustainability aspects.

To reduce rising personnel costs, the company focuses on increasing efficiency and controlling costs without affecting working conditions. This includes optimized personnel scheduling, the increased use of flexible working time models and targeted investments in further training programs to increase productivity.

At the same time, investments are being made in automation of production processes and in digitalization for more efficient standard processes to reduce the possibility of errors, to minimize physical and mental stress, and to reduce the risk of accidents further.

Under the motto "More than right at POLYTEC", the company developed processes in the 2024 financial year to attract employees and retain them in the long term. This includes an appreciative recruiting process, structured onboarding and accompanied induction. The POLYTEC

Leadership Academy offers programs for new and experienced leaders. In regular employee dialogues, professional and personal strengths are reviewed, and development opportunities are discussed.

By consistently implementing these measures, the company actively contributes to improving sustainability performance and achieving long-term strategic goals. According to the current state of knowledge, POLYTEC does not see any significant negative effects on employees from the transition into a more environmentally friendly and climate-neutral economy, as the company has been actively converting business activities for years from combustion engines to electric motors in the automotive industry and is represented in both markets. The company also takes this transformation into account in personnel strategy.

Key figures and goals

Through regular audits and key figure analyses (e.g. fluctuation, absence rate, etc.), POLYTEC ensures that its business practices do not have a significant negative impact on the workforce. Possible tensions between economic pressure and fair working conditions are balanced through social partnership dialogue. In addition, ongoing digitization ensures further relief for employees, lower accident risks, and new development opportunities, so that social and ethical standards are maintained.

As part of the annual budgeting, financial resources are allocated for programs in the areas of education and training, health promotion, occupational safety, and worker protection. In addition, personal support is used in many departments such as HR, Management/Compliance, Sustainability, and HSE, to evaluate key impacts and to design and implement appropriate measures. This ensures a structured and sustainable handling of corporate responsibility for employees.

Disclosure requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

POLYTEC is specifically committed to strengthening employee loyalty by creating attractive and future-oriented working conditions. The goal is to create an environment in which employees feel comfortable in the long term, identify themselves with the company, and can actively shape their professional development. To pursue this goal, the fluctuation rate is regularly evaluated. The aim is to ensure that valuable know-how is retained in the company in the long term and to promote stable teams.

A major focus is on ensuring the health of employees and reducing the absents rate. The well-being and performance of employees are crucial for a productive and positive working atmosphere. Measures in occupational safety, ergonomic workplace design, occupational health care, and preventive health programs (vaccination campaigns, company doctor, etc.) are intended to reduce the risk of absences due to illness and reduce lost time. In addition, the number of accidents at work (differentiated incident with and without accident-related lost time), productivity, employee satisfaction, participation in training and further education are recorded.

The achievement of company-wide targets is ensured by continuous monitoring and reporting of relevant key figures. From mid-2025, it is planned to make the key figures available to all managers in the form of a digital dashboard. The target value for fluctuation is a maximum of 8% in 2035. Subsequently, there will be concrete (national or local) target values for all relevant HR KPIs.

Disclosure requirement S1-6 – Characteristics of the undertaking's employees

Unless otherwise noted, the data used in this report corresponds to the number of people (headcount) in the company. A calculation based on full-time equivalents is not meaningful because it does not correctly take part-time employees into account.

All employee figures were collected as of December 31, 2024. If the target requires the average, the average of the year 2024 was used.

The information "Female employees by gender and by country" includes the plant in Belgium, South Africa, and the USA. In all other areas that requires more detailed HR disclosures, such as contract types, working time models or other demographics, these three locations were not included due to insufficient data quality or availability.

The total number of employees who left the company during the reporting period is 638 (of which 497 were employee-induced resignations); this corresponds to a total rate of 14.3%

Employees by gender	
	2024
Gender ¹⁾	Number of employees (head count)
Male	2,731
Female	942
Other	0
Not reported	0
Total Employees	3,673

¹⁾ Gender as specified by the employees themselves.

Employees by country	
	2024
Country	Number of employees (head count)
Belgium	38
China	46
Germany	1,959
Netherlands	235
Austria	498
Slovakia	94
South Africa	64
Czech Republic	112
Hungary	285
USA	21
United Kingdom	321
Total Employees	3,673

Disclosure requirement S1-8 – Collective bargaining coverage and social dialogue

Except for the plants in the UK and in Hungary, most employees are covered by collective bargaining agreements. The non-100% coverage in Austria and Germany is due to the following reasons:

- Positions such as Managing Directors and Board of Directors are generally not covered by collective bargaining agreements.
- At some locations in Germany, there are no collective bargaining regulations or in some cases there are no nationwide agreements.

Employees covered by collective labour agreement	
Country	2024
China	100%
Germany	88.90%
Netherlands	100%
Austria	98.80%
Slovakia	100%
Czech Republic	100%
Hungary	0%
United Kingdom	0%

There is no European works council or comparable body.

Information on collective labor agreement coverage and social dialogue

Collective labour agreement Coverage			Social dialogue
Coverage Rate	Employees - EEA countries	Employees - Non-EEA countries	Workplace representation (EEA only)
	(for countries with >50 empl. representing >10% of the total empl.)	(Estimate for regions with >50 empl. representing >10% total empl.)	(for countries with >50 empl. representing >10% of the total empl.)
0–19%	Hungary	United Kingdom	Slovakia
20–39%			
40–59%			
60–79%			
80–100%	Austria ¹⁾ , Germany ²⁾ , Netherlands, Czech Republic, Slovakia	China ³⁾	Austria ¹⁾ , Germany ²⁾ , Netherlands, Czech Republic, Hungary

¹⁾ excl. Board of Directors, Executive Boards, POLYTEC HOLDINGS AG

²⁾ excl. POLYTEC engineering GmbH, POLYTEC Industrielackierung Weiden GmbH

³⁾ 100% according to "Labor Regulations Encompas"

Disclosure requirement S1-9 – Diversity metrics

As of December 31, 2024, the proportion of women in management positions at the POLYTEC GROUP is 14.5%. This corresponds to a share of 52 female executives out of total of 358 in the POLYTEC GROUP. The distribution of employees by age group is shown in the table below.

Age groups	Number of employees	Percentage
Under 30 years	571	15%
30 – 50 years	1,713	56%
Over 50 years	1,266	29%

Disclosure requirement S1-10 – Adequate wages

The company ensures that all employees receive fair remuneration that corresponds to the country-specific reference minimum wage. In no country are POLYTEC employees paid below the applicable reference value. Therefore, the percentage of employees whose salary is below the respective country reference value is 0%.

Disclosure Requirement S1-14 – Health and safety metrics

Group-wide occupational safety guidelines define the occupational health and safety organization for the prevention of accidents involving personal injury and property damage. All POLYTEC plants have an ISO 14001 certification, in which lawful action is monitored both internally and externally. This means that 100% of employees (number of people in the company) are covered by legal requirements and/or standards.

In the 2024 financial year, there were no deaths due to work-related injuries or illnesses across the Group.

In the 2024 financial year, a total of 77 reportable occupational accidents were registered across the Group. The data is based on the POLYTEC accident app, which records all accidents, near misses, and reportable accidents.

Disclosure requirement S1-16 – Compensation metrics (pay gap and total compensation)

The company defines the gender pay gap without taking board members into account, as they are not considered as employees. Part-time jobs were extrapolated to full-time, based on an assumption of 170 hours per month. This results in an adjusted value of the pay gap at employee level between men and women of 19.91%. This pay gap refers to the countries of Austria, Germany, the Netherlands, and Hungary, as only these are processed via the SAP-PHR payroll accounting system.

The ratio of the total compensation of the highest-paid individual to the median of the total compensation of all the company's own employees is 15.2:1.

Disclosure requirement S1-17 – Incidents, complaints and severe human rights impacts

In the 2024 reporting period, two complaints were received via the internal and external whistleblower portals. After processing, however, the allegations had not been confirmed or were not relevant within the meaning of the EU Whistleblowing Directive. No violations or complaints were reported to the OECD National Contact Points for Multinational Enterprises. No fines, sanctions, or damages have been imposed in connection with the incidents and complaints described.

ESRS S2 WORKERS IN THE VALUE CHAIN**Strategy****Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model**

The company confirms that all workers in the value chain who may be affected by material impacts are included in the reporting disclosures in accordance with ESRS 2. These include, in particular, employees at suppliers, temporary and contract workers, as well as workers in transport and logistics, who may be potentially affected by working conditions, wages, or safety. These groups were identified as part of the materiality analysis in accordance with ESRS 2 IRO-1 and the stakeholder analysis in accordance with ESRS 2 SBM-3.

POLYTEC also takes workers who work at the site but are not employees of the company also into account. These include external service providers in the areas of security, cleaning, or technical maintenance, as well as suppliers and logistics personnel, including drivers and external warehouse workers. These workers are subject to the labour law conditions of their respective employers and are not covered by the information provided in ESRS S1.

The company identifies employees in raw material extraction, production employees in supplier companies, and transport and logistics personnel as relevant workers in the upstream value chain. These groups can potentially be affected by significant social and environmental impacts, especially in terms of working conditions, human rights, and safety.

As a Tier 1 supplier in the automotive industry, the company identifies relevant workers in the downstream value chain as employees in logistics and transport, who are responsible for the redistribution of products to OEMs (Original Equipment Manufacturers) and other customers. In addition, this includes employees in the vehicle assembly at automotive manufacturers, who integrate our components into end products. Other relevant groups are employees in the spare parts trade, in motor vehicle workshops, in the recycling and disposal of vehicle components. These workers can potentially be affected by significant social and environmental impacts, especially in terms of working conditions, safety, and environmental aspects in the disposal and recycling of materials.

The company is currently not involved in any joint ventures or special purpose vehicles in which relevant workers would be employed. Therefore, there is no information on this point.

The company identifies particularly vulnerable groups of workers in the value chain, including contract and temporary workers, migrant workers and underage workers. In upstream supply chains, especially in raw material extraction, there may also be risks for workers in countries with weak labour standards. The company is committed to complying with international labour standards and takes these aspects into account as part of its materiality analysis and supply chain audits.

As part of the due diligence obligations under LkSG, the company regularly analyses and evaluates potential risks in the supply chain. In the past fiscal year, there were no known specific cases of child or forced labour in own supply chain.

However, the company is aware that certain raw materials needed for the products come from regions that are generally considered high-risk areas. These mainly include raw materials in purchased parts, such as cobalt from the Democratic Republic of Congo or natural rubber from Southeast Asia. Therefore, we pursue strict supplier audits, regular risk analyses and set measures to comply with international labour standards (e.g. UN Guiding Principles on Business and Human Rights, OECD Guidelines). The company continuously monitors developments in these regions and adapts its due diligence measures accordingly.

As part of its risk analysis, the company has identified significant negative impacts in the value chain. These

relate in particular to stressful working conditions and health hazards caused by the use of chemicals.

These effects are systemic in nature and emerge throughout the automotive supply industry, especially in production processes in which chemical substances are used. This includes substances that fall under the REACH Regulation or are classified as being of very high concern. The company counters these risks through strict occupational health and safety measures, regular health checks, and the use of safety-optimized production processes.

In addition, the transition to more environmentally friendly and climate-neutral activities may result in changes in the value chain, for example, work processes and conditions may be impacted, due to new production requirements or material changes. Furthermore, technological change in the automotive industry could require restructuring of the workforce.

However, the company has not yet identified any specific risk in 2024 in accordance with the LKSG, nevertheless the risk developments are continuously monitored, and mitigation measures are accordingly adjusted. The analysis in accordance with ESRS S2 did not identify any material risks or opportunities arising from the impacts and dependencies of the company, which related to the workforce in the value chain. Likewise, no positive effects were found on these workers.

Impacts, risks and opportunities management

Disclosure requirement S2-1 – Policies related to value chain workers

POLYTEC has currently not adopted any specific policy or measures for workers in the value chain, as the main effects occur mainly in the upstream supply chains and thus outside POLYTEC's direct sphere of influence. Nevertheless, responsible supply chains are an important part of the sustainability strategy. For the further development of sustainable procurement practices, the appropriate policies will be examined, and measures can be developed and implemented.

Disclosure requirement S2-2 – Processes for engaging with value chain workers about impacts

The company has no direct policies related to the workers in the value chain or their representatives. However, an externally accessible whistleblower portal is available, where information about possible wrongdoing can be anonymously reported. The working conditions along the

supply chain are reviewed and assessed as part of the double materiality analysis. These findings are incorporated into the further development of due diligence obligations and measures to minimize risks. In addition, a supplier management tool for supplier evaluation is used to identify potential risks or critical incidents. If an issue requires action, affected suppliers will be contacted in a targeted manner.

The operational responsibility for the inclusion and ensuring that the results are incorporated into the corporate policies lies with the Sustainability and Compliance department. The highest-ranking position with responsibility in this area is the Executive Boards or the Board of Directors, who are informed at regular intervals about relevant findings and make strategic decisions on the further development of due diligence obligations.

Disclosure requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

The company has a well-defined approach to remediating material negative impacts on workers in the value chain, if they are caused or contributed by the company. Central elements of this approach are the company's internal code of conduct and the code of conduct for suppliers, which all suppliers must sign and comply with.

Potential violations or risks are identified by internal assessments, supplier evaluations and information from the whistleblower portal, which is freely accessible to all persons via the official homepage of the POLYTEC GROUP. If a supplier violates the Code of Conduct or critical incidents are reported, the facts are reviewed and, if necessary, actions are taken – from purposeful discussions and corrective actions to the termination of the business relationship. The effectiveness of these measures is ensured through regular assessments of supplier performance, as well as internal due diligence reviews.

The company ensures that the external whistleblower portal is easy to find on the company website and can be used anonymously - additional information can be found in data point G1-1.

Disclosure requirement S2-4 – Taking actions on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

POLYTEC has not currently adopted any specific policies or measures for workers in the value chain, as the main

impacts occur mainly in the upstream supply chain and thus outside our direct sphere of influence. Nevertheless, responsible supply chains are an important part of our sustainability strategy. As we continue to develop our sustainable procurement practices, we will examine the appropriate policies and measures that can be developed and implemented.

Metrics and targets

Disclosure requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Based on the previous findings, no targets or indicators have been defined to assess progress. As part of the further development of our sustainable procurement strategy, we are continuously examining the extent to which such targets and metrics can be defined in the future.

ESRS S3 AFFECTED COMMUNITIES

Strategy

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the materiality analysis, the company assessed whether there are affected communities that experience material impacts due to the business activities or along the value chain.

As a result, no negative effects were identified. The transition to greener and climate-neutral activities also has no discernible negative consequences for affected communities.

Instead, there are only positive effects, especially the increase in the attractiveness of the location due to the creation of jobs, and the positive health and safety effects promoted by intelligent product design. These impacts particularly affect communities close to operational sites, which benefit from economic stability and employment opportunities. All affected communities are already included in the general sustainability disclosures according to ESRS 2.

Impacts, risks and opportunities management

Disclosure requirement S3-1 – Policies related to affected communities

POLYTEC has not currently decided on any specific policies for affected communities, as only positive impacts have been identified in the double materiality analysis. Also, there are no significant risks or opportunities. However, there will be an ongoing review as part of future materiality analyses.

Disclosure requirement S3-2 – Processes for engaging with affected communities about impacts

POLYTEC has not established a general procedure for systematic cooperation with affected communities. There will be an ongoing review of relevance as part of future materiality analyses.

Disclosure requirement S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

Affected communities can express their concerns or needs via the company's publicly accessible whistleblower portal on the POLYTEC homepage, more information can be found in the point ESRS G1-1.

In addition, within the framework of the POLYTEC Code of Conduct for Suppliers, business partners are expected to implement their own complaint mechanisms and inform their affected communities how to use them.

During the reporting period, two reports were received via the external whistleblower portal, which were reviewed by the person responsible, and forwarded to the appropriate staff for processing and clarifying the facts. The reporters were subsequently provided with appropriate feedback. The receipt of reports, their internal processing and appropriate feedback to the whistleblower can ensure and confirm the effectiveness of the reporting channel.

Disclosure requirement S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

POLYTEC has not currently decided on any measures for affected communities. There will be an ongoing review of relevance as part of future materiality analyses.

Key figures and goals

Since this sustainability aspect is not the focus of our strategy due to the results of the double materiality

analysis, no measurable key figures and targets are currently derived.

Disclosure requirement S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Since POLYTEC has only identified positive effects in the affected communities and has not identified any significant risks, no measurable results-oriented goals have been set. There will be an ongoing review of relevance as part of future materiality analyses.

ESRS S4 CONSUMERS AND END-USERS

Strategy

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality analysis, the company has determined that there is no material negative impact on consumers and/or end users and that they only benefit from the positive effects of its products. These positive effects are mainly the result of intelligent product design, which can reduce the risk of accidents and increase user-friendliness. Affected consumers and end users are primarily companies in the automotive industry that process our products or integrate them into their end products. These positive effects are not limited to certain countries or regions but occur wherever the products are used.

Since the company develops and manufactures products on behalf of customers, the product responsibility for the end consumer lies with POLYTEC's customers. In the automotive sector, this product data is recorded in the IMDS database (International Material Data System).

As the Company only manufactures physical products on behalf of customers and does not provide services that process personal data or affect the privacy of consumers and end users, there is no negative impact on their right to privacy, the protection of personal data, the right to freedom of expression, or non-discrimination.

Since the company primarily manufactures components for vehicles and does not sell finished products, consumers and end users do not rely on product-related manuals for safe use. In the few cases where product labels are requested or required by law, they are applied accordingly. By incorporating the products into customers' end

products, the responsibility for further consumer information lies with them.

There is no direct interaction with particularly vulnerable consumer groups such as children or financially vulnerable people, as the company mainly manufactures components for vehicles and does not sell direct end products to consumers. In addition, no marketing or sales strategies are used that are specifically aimed at these groups. Compliance with the highest safety and quality standards ensures that the products do not pose any health risks.

As part of the materiality analysis in accordance with ESRS 2 IRO-1, the company has not identified any consumers or end-users who are affected by negative impacts or could be exposed to a particular risk of harm.

The company evaluates the effectiveness of customer and end-user engagement indirectly through the continuous exchange between sales managers and customers, as well as through the analysis of market requirements and customer feedback. As no significant adverse impacts have been identified, there are no specific agreements or measures placed to further engage with end-users.

Impacts, risks and opportunities management

Disclosure requirement S4-1 – Policies related to consumers and end-users

As the company has only identified positive impacts for consumers and end-users, and has not identified any significant risks or opportunities, no specific policies, measures or targets have been adopted in relation to this sustainability aspect.

Disclosure requirement S4-2 – Processes for engaging with consumers and end-users about impacts

As part of the double materiality analysis, the relevant stakeholders were also considered. The involvement of consumers and end users took place indirectly via our sales managers, who act as an interface to the customers, always stay in contact with them, and were able to provide valuable insights into their requirements and needs. However, direct cooperation with end-users or their legal representatives was not necessary, as no significant negative impacts were identified that would require specific measures.

Disclosure requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Consumers and end customers can express their concerns or needs via the company's publicly accessible whistleblower portal.

In addition, we also expect our customers to implement their own complaint mechanisms, and to inform their customers and end consumers about their implemented mechanisms.

Disclosure requirement S4-4 – Taking actions on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

As the company has only identified positive impacts for consumers and end-users, and has not identified any significant risks or opportunities, hence no specific policies, measures, or targets have been adopted related to this sustainability aspect. Therefore, there is no timeframe for the introduction of such policies or measures.

Metrics and targets

Disclosure requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As the Company has identified only positive impacts for consumers and end-users, and has not identified any material risks or opportunities, the company has not set measurable results-oriented targets in this area. Accordingly, there are no plans to establish procedures for this purpose, the setting of targets or indicators to assess progress, or the establishment of a measurement of progress.

4. GOVERNANCE INFORMATION

ESRS G1 BUSINESS CONDUCT

Governance

Disclosure requirements in the context of ESRS 2 GOV-1 – The role of administrative, supervisory and management bodies

The Board of Directors and Supervisory Board have a major influence on the sustainability strategy and organisation within the POLYTEC GROUP. In the development and implementation of the corporate strategy, the Board of Directors considers the sustainability aspects and the associated opportunities and risks regarding the environment, social and corporate governance. The embedment and support of ESG agendas in senior management and across all areas of the organization make a significant contribution to the successful implementation of the goals and the further development of the ambitious sustainability strategy of the POLYTEC GROUP. The Supervisory Board and its committees help to develop and monitor the implementation of the sustainability strategy by the Board of Directors and the company regarding the fulfilment of compliance requirements and the goals of the sustainability strategy.

In accordance with the Austrian Stock Corporation Act, the Supervisory Board of POLYTEC Holding AG has set up an Audit Committee to perform the scheduled supervisory and control functions. In this committee, strategic focal points of the audit activities and the working methods of the committee regarding new legal requirements are discussed on ongoing basis and the committee is responsible for reviewing the corporate governance report and reporting in relation to the Austrian Sustainability and Diversity Improvement Act. In the past financial year, the Board of Directors regularly informed the Audit Committee about current changes in European sustainability reporting legislation and the progress of ongoing measures such as the establishment of further management processes for data collection and the results of the risks identified from the double materiality analysis.

Disclosure Requirement G1-1 – Corporate Culture and business conduct policies and corporate culture

The long-standing corporate success of the POLYTEC GROUP is based on three strategic pillars, the fundamental orientation of which has remained largely untouched even in the context of the company's latest organizational reforms under the "CORE" banner. The guidelines are set out in the three pillars:

- Strengthening of market position in the plastics industry
- Development of new technologies and applications
- Focusing on customer benefits

The focal points of the first pillar are an overarching business understanding in the sense of "ONE POLYTEC", the implementation of permanent process optimization and the basic understanding of a "Good Place To Work". This is supplemented by the provision of ongoing innovations as a success factor, sustainable corporate activities and the promotion of broad technological and production efficiency, as well as the achievement of maximum customer satisfaction and optimal product solutions. The POLYTEC corporate culture is demanded and promoted by the [corporate strategy](#). In addition, the mission statement, which focuses on sustainability, personnel and customer, runs through the group's entire business activities.

In recent years, significant measures have been taken in our own business area to promote the corporate culture:

This applies above all to the POLYTEC [Code of Conduct](#), which was published in the 2017 financial year and last revised in February 2024 and which for the first time outlined the basic principles and framework conditions for all business activities, including initial guidelines on the environment, social and good corporate governance. In recent years, the Code has been revised several times and adapted to the obligatory, particularly sustainability related European framework conditions and the POLYTEC corporate mission statement. The Code now includes general information on corporate culture, data protection, the fight against corruption and money laundering, cybercrime, as well as complaint management and the social and ecological responsibility of all stakeholders. The recent publication of the POLYTEC GROUP's [Declaration of Principles on Human Rights](#) has further promoted the ESG agenda for the observance of human rights in the upstream value chain and in the company's own business area.

Every employee is trained on the Code of Conduct and the Human Rights Declaration via the internal POLYTEC learning management system when joining the company as part of the onboarding process and subsequently at regular intervals. The Code of Conduct and the Declaration of Human Rights are published in the internal information management for all employees and on the POLYTEC website, therefore accessible to all stakeholders.

The policy for the prevention and detection of corruption and bribery includes, in particular:

- the intensive, ongoing web-based training of employees and sensitization of the contents of the anti-corruption policy, as well as the negative effects on the company and the potential personal liability of each employee from fiscal year 2022 onwards
- the establishment of controls in the internal control system to prevent corresponding acts of active and passive bribery
- the establishment of internal and external reporting channels to detect related business transactions

No significant operating expenses were necessary for the measures to promote the corporate culture, other than the ongoing costs of setting up and maintaining the learning management system used throughout the POLYTEC GROUP.

Establishment, development and promotion of the corporate culture

Basic governance information on POLYTEC Holding AG can be found in its Articles of Association.

The Code of Conduct is an integral part of all current and future activities, decisions and strategies of the POLYTEC GROUP. Essential core tasks of our employees are the conservation of resources, the reduction or avoidance of environmental pollution using the best available and economically viable technologies, as well as the continuous improvement of environmental and energy-related performance, including compliance with energy and material efficiency and successful implementation of the POLYTEC Sustainability strategy. Newsletters are used to raise employees' awareness of sustainability issues in their own areas of responsibility. A sustainability management guideline is currently being drawn up, which will set out guidelines for the implementation of the POLYTEC sustainability strategy, its management and tracking, as well as the processes that are carried out for sustainability reporting. The guideline is intended to serve as a written orientation framework for managers and employees to

place even greater emphasis on sustainability in their own area of responsibility and field of activity, in order to support the efficient development of sustainable business model of POLYTEC GROUP.

The POLYTEC GROUP's current sustainability strategy, its implementation and further development are evaluated and tracked based on the relevant key figures, which continuously fed into corresponding dashboards by the processes already installed.

Assessing anti-corruption and bribery risks

The compliance functions in the company ensure that the POLYTEC GROUP acts in accordance with the legal requirements. Together with the risk management department, the Board of Directors identifies and evaluates the possible risks from internal and external criminal acts as part of an annual risk analysis; in addition, the internal audit department carries out risk-oriented controls. Regular trainings on the anti-corruption policy ensures that employees are fully aware of the risks, hence the risk of corruption and bribery is classified as extremely low.

Instruments to combat corruption and bribery

According to the applicable anti-corruption policy, all employees are strictly prohibited from offering or accepting benefits, both directly and indirectly, especially if this is intended to improperly influence business transactions or could even create such an impression. Benefits include, in particular, gifts of more than a minor value, invitations and hospitality that go beyond customary business practices, as well as purchasing opportunities on terms that are not common for third parties. Consistent employee trainings and closing any gaps through a functioning internal control system are effective means of combating corruption and bribery.

Establishment of reporting channels, protection of whistleblowers

To prevent compliance violations, all employees are encouraged to report any grievances, complaints or violations they become aware of, or even if they merely suspect a violation, via the available whistleblower portals. For the POLYTEC GROUP, it is essential that laws, internal policies and principles of conduct are adhered to, as the key to corporate success is above all based on integrity, ethics and the personal responsibility of everyone.

An internal whistleblower portal was already installed for all employees of the POLYTEC GROUP in December 2021, based on the EU Whistleblowing Directive. This portal

offers the possibility to submit reports anonymously. In addition, another whistleblower portal was installed in the past financial year in cooperation with an external service provider, which is available not only to employees of the POLYTEC GROUP but also to all customers, suppliers and other external stakeholders via the POLYTEC GROUP homepage.

All incoming reports are processed centrally by the Legal Department. Regardless of the reporting channel selected, all reports are processed in the strictest confidence and exclusively according to the need-to-know principle; the protection of whistleblowers has top priority. In the case of non-intentionally false information, whistleblowers will not face any disadvantages.

To inform employees via both channels, a dedicated whistleblowing policy has been published in the integrated management system (IMS). As part of the onboarding process, the policy is assigned to all new employees with PC access via the learning management system, and their awareness is monitored, documented and followed up. For the Employees without PC access a paper copy of the policy is provided.

Due to the anonymity of the report by the company's own employees, they are imperatively protected from any retaliatory measures. If the disclosure of information may result in the identity of the whistleblower being revealed (e.g. due to the content of the report or other circumstances of the specific facts), the whistleblower's consent to this procedure must be obtained in advance.

Internal corporate management training

POLYTEC revised and expanded its training plan as part of the implementation of the IMS in 2020. Newly hired employees with computer access are assigned several compliance-relevant training courses (including the Code of Conduct, the Anti-Corruption Policy, the Compliance Policy, the Whistleblowing Policy, the Authorization Policy, and the Data Protection Policy) during onboarding, which must be completed within the first month. In addition to onboarding, most training courses are reassigned to employees at regular intervals (annually or every two years) to maintain a record of the content. Employees without computer access receive this information in paper form.

Once a month, training reports are automatically sent to central offices in the Group, which contain detailed information on the respective training courses, including the degree of completion. Depending on the completion

rate, various measures are implemented as needed to improve the completion rate and to ensure appropriate training.

In addition, further training courses on specific (legal) areas are prepared and held on an ad hoc basis and at the request of individual divisions.

Exposure to corruption and bribery risks

POLYTEC considers the group's overall risk to be low, especially regarding corruption and bribery. This results from the specific characteristics of the automotive industry, which is marked by highly price-driven competition and the absolute dependency of automotive suppliers on the manufacturers. Due to the internal control processes and the cashless payment transactions at POLYTEC, offering benefits is generally not possible. The risk of passive bribery of employees by a manufacturer is virtually non-existent due to the oversupply of automotive suppliers.

Disclosure Requirement G1-2 – Management of relationships with suppliers

To avoid late payments to our suppliers, POLYTEC has implemented clear, automated invoice verification and payment processes, which ensure punctual verification and approval of invoices and their associated payments. Employees receive regular trainings on the content of these processes via the learning management system. An early warning system and regular financial planning processes help to identify potential delays in a timely manner. Any ambiguities in the invoice review are promptly addressed to the suppliers. Flexible payment can also be arranged to prevent conflicts in the event of unexpected financial constraints. Systematic reporting is carried out regularly and necessary measures are initiated. In addition, modern financing models are used.

Relationships with suppliers related to sustainability aspects

To ensure careful supplier selection, POLYTEC GROUP has implemented a [code of conduct for suppliers](#), along with other guidelines and processes for supplier selection and evaluation through audits and supplier self-assessments. Before signing a contract or being commissioned, new suppliers are required to commit to complying with the Code and the detailed minimum social and environmental standards in accordance with internationally recognized agreements. As part of the German LkSG, which came into force for German sites of the POLYTEC GROUP on January 1, 2024, risk analyses have been carried out for all suppliers since 2023, considering the human rights and

environmental risks of our suppliers. In the 2024 financial year, an end-to-end digital process was implemented using an external tool for the group-wide certification of all suppliers. No material business transactions or ESG violations were identified in the supplier environment in the 2024 fiscal year.

Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

POLYTEC continuously monitors any risks of corruption and bribery through its compliance functions and reports received via the whistleblower portals. No actual cases or conflicts of interest were identified in the past financial year. Should such cases arise, they would be processed accordingly and reported to the authorities, employees themselves would be subject to disciplinary measures. Employees are informed of any consequences of such

misconduct through training. The internal audit department is assigned to the central division under the Board of Directors and is separate from relevant management chain of the business lines. The compliance functions report to the Board of Directors on the results of the risk assessment and any incidents twice a year and on an ad hoc basis. Any information would be forwarded to the Supervisory Board as part of compliance reporting.

The current completion rate of the anti-corruption training via the learning management system was 98% as of December 31, 2024. All employees with PC access are classified as high-risk employees. The Board of Directors, like all other employees in the POLYTEC GROUP, receives regular training via the learning management system.

	At-risk functions	Executive board
Training coverage		
Total headcount	1,193	9
Number of trained	1,176	5
Delivery method and duration		
On-site training	0 hour	0 hour
Computer-based training	0.5 hour	0.5 hour
Voluntary computer-based training	0 hour	0 hour
Frequency		
How often training is required	at Onboarding; then every 2 years	at Onboarding; then every 2 years
Topics covered		
Anti-corruption as a part of compliance	X	X
Consequences of corruption	X	X
Handling conflicts of interest	X	X
Core values of POLYTEC	X	X
Expectations of POLYTEC	X	X
Gift acceptance	X	X
Consequences of misconduct	X	X

Metrics and targets

Disclosure Requirement G1-4 – Confirmed incidents of corruption or bribery

There were no convictions and therefore no fines for violations of corruption and bribery regulations in the past financial year. The Anti-Corruption Policy contains all the requirements that instruct employees to behave in accordance with the law and all measures to be taken in the event of violations.

invoices that were disputed or whose due date had not yet arrived; in these cases, no corrections are usually made in the system that would reduce the overdue period. Conversely, invoices are also occasionally paid early, for example, if discounts have been agreed.

To determine the average delayed payment period, the days after the due date were extracted from the system which covers approx. 80% of the Group's accounting system. As a result, the representative average of around 13 days was determined.

Disclosure Requirement G1-6 – Payment practices

On average, the company requires around 13 days to pay an invoice from the start of the contractual or statutory payment period. However, the evaluation also includes

In accordance with the currently applicable [General Terms and Conditions of Purchase](#), payments are due within 45 days of approval of receipt or acceptance of the delivery item, and receipt of the original invoice with a deduction of

3% discount or 90 days net cash, unless otherwise agreed. Advance payments are generally only made for a bank guarantee.

There are currently no pending legal proceedings for late payment.

Hörsching, 1. April 2025

The Board of Directors of POLYTEC Holding AG

Dipl.-Ing. (FH) Markus Huemer, MBA,
Chairman of the Board of Directors - CEO

Peter Bernscher, MBA,
Deputy Chairman of the Board of Directors – CCO

Ing. Mag. (FH) Martin Resch, M.A.,
Member of the Board of Directors – COO

Markus Mühlböck,
Member of the Board of Directors – CFO

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE 2024 FINANCIAL YEAR

with comparative figures from the previous year

in EUR k	Note	2024	2023 adjusted ¹⁾
Sales revenues	E. 1	677,831	635,987
Other operating income	E. 2	6,819	5,238
Changes in inventory of finished and unfinished goods		284	494
Other own work capitalised		718	148
Expenses for materials and services received	E. 3	-352,594	-337,607
Personnel expenses	E. 4	-231,391	-218,150
Other operating expenses	E. 5	-65,277	-59,471
Deconsolidation result	B. 1	-723	0
Earnings before interest, taxes and depreciation (EBITDA)		35,667	26,639
Depreciation	E. 8/E. 9	-31,814	-33,358
Earnings before interest and taxes = operating result (EBIT)		3,853	-6,719
Interest expense		-12,803	-9,373
Interest and other financial revenue		465	304
Other financial expenses		-23	0
Financial result	E. 6	-12,361	-9,070
Earnings before tax		-8,508	-15,789
Income tax revenue	E. 7	1,607	1,730
Earnings after tax		-6,901	-14,059
thereof result of non-controlling interests		-449	9
thereof result of the parent company		-6,452	-14,068
undiluted earnings per share in EUR	E. 19	-0.29	-0.64

¹⁾ Reclassification in financial result. Explanations can be found under D. 20 "Reclassification."

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 2024 FINANCIAL YEAR

1.1.-31.12.2024

in EUR k	Note	Group	Non-controlling interests	Total
Earnings after tax		-6,452	-449	-6,901
Items that will not be reclassified (recycled) in future periods in the income statement				
Remeasurement of defined benefit obligation, net of tax		-1,162	0	-1,162
thereof related, deferred income taxes		320	0	320
	E. 21	-841	0	-841
Items that will be reclassified (recycled) in future periods in the income statement				
Currency translations and adjustments due to hyperinflation		2,878	0	2,878
		2,878	0	2,878
Other result after tax		2,037	0	2,037
Total result		-4,416	-449	-4,865

1.1.-31.12.2023

in EUR k	Note	Group	Non-controlling interests	Total
Earnings after tax		-14,068	9	-14,059
Items that will not be reclassified (recycled) in future periods in the income statement				
Remeasurement of defined benefit obligation, net of tax		1,345	0	1,345
thereof related, deferred income taxes		-383	0	-383
	E. 21	962	0	962
Items that will be reclassified (recycled) in future periods in the income statement				
Currency translations and adjustments due to hyperinflation		-1,258	0	-1,258
		-1,258	0	-1,258
Other result after tax		-296	0	-296
Total result		-14,364	9	-14,355

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

with comparative figures from the previous year

ASSETS

in EUR k	Note	31.12.2024	31.12.2023 adjusted ¹⁾
A. Non-current assets			
I. Intangible assets	E. 8	6,148	6,253
II. Goodwill	E. 8	0	0
III. Tangible assets	E. 9	225,877	242,204
IV. Non-current financial assets		88	1,129
V. Contract assets from contracts with customers	E. 13	27,250	31,574
VI. Deferred tax assets	E. 10	12,698	8,725
		272,060	289,884
B. Current assets			
I. Inventories	E. 11	39,114	41,303
II. Trade accounts receivable	E. 12	54,299	52,165
III. Contract assets from contracts with customers	E. 13	58,905	70,506
IV. Other current non-financial receivables and assets	E. 14	5,977	10,114
V. Income tax receivables		2,325	3,662
VI. Other current financial assets	E. 15	8,795	15,781
VII. Cash and cash equivalents	E. 16	66,013	49,610
		235,427	243,141
		507,488	533,025

EQUITY AND LIABILITIES

in EUR k	Note	31.12.2024	31.12.2023
A. Shareholders' equity			
I. Share capital		22,330	22,330
II. Capital reserves		37,563	37,563
III. Treasury stock		-1,855	-1,855
IV. Retained earnings		158,347	167,433
V. Other reserves		-6,519	-8,554
		209,867	216,917
VI. Non-controlling interests		1,875	3,595
	E. 18	211,742	220,512
B. Non-current liabilities			
I. Non-current, interest-bearing liabilities	E. 20	91,265	88,626
II. Provision for deferred taxes	E. 10	952	1,172
III. Provisions for employees	E. 21	21,554	20,058
		113,771	109,856
C. Current liabilities			
I. Current interest-bearing liabilities	E. 22	55,351	83,638
II. Liabilities on income taxes	E. 23	517	622
III. Advance payments received on orders		179	27
IV. Trade accounts payables	E. 24	63,389	63,734
V. Contract liabilities from contracts with customers	E. 13	1,669	1,982
VI. Other current liabilities	E. 25	48,335	44,576
VII. Current provisions	E. 26	12,536	8,078
		181,975	202,657
		507,488	533,025

¹⁾ Reclassification of other current non-financial assets as well as other current financial assets. Explanations can be found under D. 20 "Reclassification."

CONSOLIDATED CASH FLOW STATEMENT FOR THE 2024 FINANCIAL YEAR

with comparative figures from the previous year

in EUR k	Note	2024	2023
Earnings before tax		-8,508	-15,789
+ Depreciation on non-current assets		31,814	33,358
- Non-cash income from deconsolidation	B. 1	723	0
-(+) Interest result	E. 6	12,339	9,124
+(-) Other non-cash expenses and income	F.	-1,573	442
+(-) Increase (decrease) in non-current provisions for employees		-70	-761
-(+) Profit (loss) from fixed asset disposals	E. 2	-872	-253
-(+) Increase (decrease) in inventories		2,898	-3,936
-(+) Increase (decrease) in trade and other receivables and contract assets		26,251	10,653
+(-) Increase (decrease) in trade accounts payables, other liabilities and contract liabilities		2,132	8,768
+(-) Increase (decrease) in current provisions		4,427	-5,394
= Consolidated cash flow from current activities		69,560	36,211
- Taxes paid		-1,256	-2,823
= Consolidated cash flow from operating activities		68,304	33,389
- Investments in fixed assets	F.	-25,218	-22,395
+ Disposal of subsidiaries less discontinued cash and cash equivalents		20,296	0
+ Inflows from the disposal of intangible and tangible assets		4,947	1,116
+ Interest received		547	250
-(+) Increase (decrease) in interest-bearing and other long-term receivables		0	-41
= Consolidated cash flow from investing activities		572	-21,070
- Repayments of loan financing ¹⁾		-15,770	-7,052
- Repayments of promissory note loans		-38,211	-34,346
+ Inflows from acquisition financing		25,000	35,226
- Repayments of real estate loan borrowings ¹⁾		-1,238	-2,520
- Outflows from lease agreements ²⁾		-8,382	-8,868
-(+) Change in current financial liabilities (current accounts)		-2,335	10,141
- Interest paid		-12,233	-8,025
- Dividends		-392	-2,225
+ Other changes in equity		879	0
= Consolidated cash flow from financing activities	F.	-52,683	-17,669
+(-) Consolidated cash flow from operating activities		68,304	33,389
+(-) Consolidated cash flow from investing activities		572	-21,070
+(-) Consolidated cash flow from financing activities		-52,683	-17,669
= Change in cash and cash equivalents		16,193	-5,350
+(-) Effect from currency translations		210	-176
+ Opening balance of cash and cash equivalents		49,610	55,136
= Closing balance of cash and cash equivalents		66,013	49,610

¹⁾ Loan financing and real estate loans correspond to the item „Bank loans“ and „Other interest-bearing liabilities“ at „Interest-bearing liabilities“.

²⁾ Regarding „Outflows from lease agreements“ see item „Lease liabilities“.

³⁾ Explanations can be found under B. 1 „Scope of consolidation.“

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 2024 FINANCIAL YEAR

in EUR k	Note	Share capital	Capital reserves	Treasury stock
As at 1.1.2024		22,330	37,563	-1,855
Adjustement in accordance with IAS 8 ¹⁾		0	0	0
Adjusted balance as at 1.1.2024		22,330	37,563	-1,855
Earnings after tax		0	0	0
Other result after tax		0	0	0
Total result		0	0	0
Dividends		0	0	0
Changes due to deconsolidation	B. 1	0	0	0
As at 31.12.2024	E. 18	22,330	37,563	-1,855

in EUR k	Note	Share capital	Capital reserves	Treasury stock
As at 1.1.2023		22,330	37,563	-1,855
Earnings after tax		0	0	0
Other result after tax		0	0	0
Total result		0	0	0
Dividends		0	0	0
As at 31.12.2023	E. 18	22,330	37,563	-1,855

¹⁾ Explanations see under D. 19 "Error Correction in accordance with IAS 8".

Other reserves					Total
Retained earnings	Actuarial gain/loss	Reserves from currency translation and adjustments due to hyperinflation	Shares of POLYTEC Holding AG stockholders	Non-controlling interests	
167,433	-480	-8,077	216,916	3,595	220,512
-2,634	0	0	-2,634	0	-2,634
164,799	-480	-8,077	214,282	3,595	217,877
-6,452	0	0	-6,452	-449	-6,901
0	-841	2,878	2,037	0	2,037
-6,452	-841	2,878	-4,416	-449	-4,865
0	0	0	0	-392	-392
0	0	0	0	-879	-879
158,347	-1,321	-5,199	209,867	1,875	211,742

Other reserves					Total
Retained earnings	Actuarial gain/loss	Reserves from currency translation and adjustments due to hyperinflation	Shares of POLYTEC Holding AG stockholders	Non-controlling interests	
183,700	-1,442	-6,819	233,479	3,611	237,092
-14,068	0	0	-14,068	9	-14,059
0	962	-1,258	-296	0	-296
-14,068	962	-1,258	-14,364	9	-14,355
-2,200	0	0	-2,200	-26	-2,225
167,433	-480	-8,077	216,916	3,595	220,512

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 2024 FINANCIAL YEAR OF POLYTEC HOLDING AG, HÖRSCHING

A. GENERAL INFORMATION

The POLYTEC GROUP is an Austria-based, internationally active corporation with a focus on plastics processing for the automotive industry. The group acts as a supplier of components and modules used largely in the engine compartment, or on vehicle exteriors in the high-volume market segment, as well as a provider of original accessories and parts for small and medium volume series. The company address of POLYTEC Holding AG is Polytec-Straße 1, 4063 Hörsching, Austria.

The consolidated financial statements of POLYTEC Holding AG (hereinafter referred to as the “group” or “POLYTEC GROUP”) for the 2024 financial year were prepared in accordance with the guidelines of the International Financial Reporting Standards (IFRS) and their interpretations in line with EU standard practice. They also comply with the additional requirements of § 245a Para. 1 of the Austrian Commercial Code (UGB).

The Board of Directors released the consolidated financial statements for transfer to the Supervisory Board on 1 April 2025. The Supervisory Board has the task of examining and stating its approval of the consolidated financial statements as at 31 December 2024. On this occasion, the Supervisory Board has an opportunity to require the alteration of the consolidated financial statements.

POLYTEC Holding AG headquarters are located in Hörsching, Austria, and the company is listed in the City of Linz Company Register under the number FN 197646 g. The Legal Entity Identifier (LEI) is 529900OVSOBJNXZACW81.

The consolidated financial statements are presented in thousands of euros (EUR k). When collating rounded amounts and information given as a percentage, rounding differences may occur due to the use of automatic calculation systems.

The consolidated income statement of the group is prepared in accordance with the total cost accounting method.

Pursuant to § 245a of the Austrian Commercial Code (UGB), these consolidated financial statements replace the consolidated financial statements which would otherwise have to be prepared in accordance with § 244 et seq. of the Austrian Commercial Code (UGB). Polytec Composites Germany GmbH & Co KG, POLYTEC Compounds GmbH & Co. KG and Polytec Plastics Germany GmbH & Co KG claim exemption pursuant to §264b of the German Commercial Code (HGB).

GOING CONCERN

When drawing up the consolidated financial statements, management must also assess the POLYTEC GROUP's ability to apply the going concern assumption to its financial reporting. If material uncertainties with regard to events or conditions exist that cast significant doubt in respect of this capability, these concerns must be explained. In the estimation of the management no uncertainties are manifest in relation to the continuation of the POLYTEC GROUP as a going concern. The consolidated cash flow statement from operating activities in the amount of EUR 68.3 million (see the consolidated cash flow statement for the 2024 financial year) as well as internal positive cash planning measures justify the stable liquidity situation of the group. The group also disposes over cash and cash equivalents of EUR 66.0 million and equity of EUR 211.7 million, which corresponds to an equity ratio of 41.7%.

1. NEW AND AMENDED STANDARDS FROM THE 2024 FINANCIAL YEAR

The following **new and amended standards** were applicable for the first time in the 2024 financial year:

Standard	Interpretation	Mandatory application according to IASB for financial years from	Adopted by the EU as at 31.12.2024
Amendments to IAS 1	Classification of liabilities as current or non-current (including deferral of effective date)	1 January 2024	Yes
Amendments to IAS 1	Classification of debt with covenants as non-current	1 January 2024	Yes
Amendments to IFRS 16	Lease liability in a sale and leaseback	1 January 2024	Yes
Amendments to IAS 7/IFRS 7	Disclosures on supplier finance arrangements	1 January 2024	Yes

There are no material effects upon the POLYTEC GROUP's consolidated financial statements.

2. NEW AND AMENDED STANDARDS FROM THE 2025 FINANCIAL YEAR

The International Accounting Standards Board (IASB) is working on numerous projects which will initially affect the financial years commencing on 1 January 2025. The following new, amended or supplemented standards and

IFRIC interpretations that have already been published by the IASB, but for which an application is partially not yet mandatory, have not been applied prematurely by the POLYTEC GROUP and are therefore irrelevant for these consolidated financial statements:

Standard	Interpretation	Mandatory application according to IASB for financial years from	Adopted by the EU as at 31.12.2024
Amendments to IAS 21	Lack of exchangeability	1 January 2025	Yes
Amendments to IFRS 9/IFRS 7	Classification and measurements of financial instruments	1 January 2026	Outstanding
Amendments to IFRS 9/IFRS 7	Contracts referencing nature-dependent electricity	1 January 2026	Outstanding
Various	Annual improvements to IFRS - volume 11	1 January 2026	Outstanding
IFRS 18	Presentation and disclosures in financial statements	1 January 2027	Outstanding
IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027	Outstanding

With regard to the future application of other standards and interpretations that have not yet come into force and have also not been applied early by the POLYTEC GROUP, no significant material changes to recognised assets, liabilities or other disclosures in the consolidated financial statements are expected.

The only exception is the first-time application of IFRS 18. The POLYTEC GROUP is currently assessing the potential impact of the new standard, particularly regarding the structure of the income statement, the cash flow statement and the additional disclosure requirements for MPMs. The POLYTEC GROUP is also examining the effects on how

information is grouped in the financial statements, including items currently referred to as "Other".

B. PRINCIPLES OF CONSOLIDATION

1. SCOPE OF CONSOLIDATION

The scope of consolidation is determined in accordance with the principles of IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in Associates). The parent company is POLYTEC Holding AG, Hörsching. The financial statements of POLYTEC Holding AG and the financial statements of the companies controlled by POLYTEC Holding AG as at 31 December of each year are included in the consolidated financial statements by way of full or equity consolidation.

The scope of consolidation of the POLYTEC GROUP includes 38 (2023: 39) fully consolidated companies of which 31 (2023: 31) are located outside Austria.

Control exists if the company has the power of decision over important activities, generates variable returns from the subsidiary and can influence these returns through such power of decision.

Accordingly, in addition to the parent company, six (2023: seven) domestic and 31 (2023: 31) foreign subsidiaries were included, which are under the control of POLYTEC Holding AG. The five companies (2023: six) which were excluded are immaterial in total. The balance sheet date for all companies included in the consolidated financial statements was 31 December 2024.

An overview of the fully consolidated companies can be found in section G. 6.

As a rule, the annual financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date of disposal. A subsidiary is first included when control of its assets and business activities is actually assigned to the respective parent company. In the case of materiality, companies that have been founded or closed are included in the consolidated financial statements and whereas immaterial companies are excluded.

The scope of consolidation changed as follows in the financial year:

As at 31.12.2023	39
First-time consolidation due to materiality (PH Immobilien GmbH)	1
Deconsolidated due to disposal	-2
As at 31.12.2024	38
thereof foreign companies	31

As in the previous year, in 2024 no interests were included in the consolidated financial statements using the equity method.

COMPANY TRANSACTIONS AND FOUNDATIONS 2024

As part of the refinancing of significant registered bonds of POLYTEC Holding AG carried out in the 2023 financial year, Huemer Invest GmbH, a company associated with the Chairman of the Supervisory Board, Friedrich Huemer, committed to acquiring the fixed assets of POLYTEC Immobilien GmbH, primarily consisting of the factory and property in Hörsching, from Raiffeisenlandesbank Oberösterreich. The purchase and transfer agreement for the acquisition of shares in POLYTEC Immobilien GmbH, indirectly through the acquisition of shares in PH Immobilien GmbH by Huemer Immobilien GmbH, was concluded in April 2024. The sale price valued the properties at EUR 21 million. Upon the execution of the purchase and transfer agreement, PH Immobilien GmbH and its subsidiary POLYTEC Immobilien GmbH were excluded from the consolidation scope of POLYTEC Holding AG.

Company	Equity holding	Deconsolidation date
PH Immobilien GmbH, Hörsching	100.0%	15.04.2024
POLYTEC Immobilien GmbH, Hörsching	94.5%	15.04.2024

The contribution of PH Immobilien GmbH and POLYTEC Immobilien GmbH to the consolidated income statement for the 2024 financial year is as follows:

in EUR k	2024
Sales revenues	28
Earnings after tax	-229

The result from the deconsolidation of PH Immobilien GmbH and POLYTEC Immobilien GmbH was determined by comparing the outgoing net assets with the received consideration, taking into account previously recognised

non-controlling interests directly recorded in equity. The resulting effect on the consolidated income statement amounts to EUR -723 k (see item “Deconsolidation result”).

The position “Disposal of subsidiaries less discontinued cash and cash equivalents” shown in the consolidated cash flow statement in the amount of EUR 20,296 k consists of the consideration received of EUR 20,412 k less disposed cash and cash equivalents of EUR 116 k.

in EUR k	2024
Consideration received	20,412
Deduction of the net assets	-22,014
Cumulative non-controlling interests, which upon the loss of control over the subsidiaries are neutral	879

COMPANY TRANSACTIONS AND FOUNDATIONS 2023

In the 2023 financial year, PH Immobilien GmbH, Hörsching, was newly founded as a 100% subsidiary of POLYTEC Holding AG. Due to minor importance, PH Immobilien GmbH has not yet been included in the consolidated financial statements as of 31 December 2023.

On 30 September 2023, PT Immobilien GmbH, as the transferring company, merged with POLYTEC Immobilien GmbH, as the acquiring company.

In addition, POLYTEC FOHA Corp., Markham, was deconsolidated in the 2023 financial year due to closure. The resulting effects are insignificant.

2. METHODS OF CONSOLIDATION

FULL CONSOLIDATION

IFRS 3 (Business Combinations) was applied to acquisitions. Capital consolidation was therefore carried out on the basis of the revaluation method (recognition of all assets and liabilities at fair value even in the case of non-controlling interests and the complete disclosure of hidden reserves, independent of the amount of the non-controlling interests). The investment carrying amount is counterbalanced by the pro rata, newly evaluated equity of the subsidiary (purchase accounting).

Any remaining differences are capitalised as goodwill. All goodwill is subjected to an annual impairment test. A purchase at below the market value demands an assessment of whether all the assets and debts have been identified correctly prior to the recognition of a gain. The remaining badwill is reported under other operating income.

In accordance with IFRS 10, non-controlling interests are disclosed in the consolidated financial statements under group equity. Within the scope of initial consolidation, non-controlling interests are determined on the basis of proportional equity.

All accounts receivable and liabilities, as well as expenses and earnings resulting from transactions between companies within the scope of consolidation are eliminated taking the principle of materiality into account. Interim results from internal group deliveries are also eliminated to the extent that they are not immaterial.

3. CURRENCY TRANSLATION

BUSINESS TRANSACTIONS IN FOREIGN CURRENCIES

In the individual group companies, transactions in foreign currencies were valued at the exchange rate on the date of the transaction. Resultant exchange rate differences are reported in the group's consolidated income statement.

TRANSLATION OF INDIVIDUAL FINANCIAL STATEMENTS IN FOREIGN CURRENCIES

The functional currency of subsidiaries outside the Eurozone is the respective national currency. The assets and liabilities of foreign subsidiaries were converted using the reference exchange rate of the European Central Bank on the balance sheet date. Resultant exchange rate differences are reported in the group's consolidated statement of comprehensive income. Positions in the group's consolidated income statement were converted using the average exchange rates of the financial year under review.

Two companies based in Turkey are also included in the consolidated financial statements of POLYTEC Holding AG. Since 1 April 2022, Turkey has been classified as a hyperinflationary economy, which means that the guidelines of IAS 29 have to be applied. Any effects resulting from hyperinflation are shown in the consolidated statement of changes in equity, the consolidated statement of comprehensive income and the consolidated schedule of intangible assets and goodwill as well as tangible assets.

The euro has been determined as the functional currency at POLYTEC COMPOSITES South Africa (Pty) Ltd. This is because the percentage of transactions in euros at the plant are increasing considerably and the currency will be employed for earnings and cost orientation.

Exchange rate differences derived from monetary positions, which from an economic point of view belong to an foreign company, e. g. long-term receivables and loans,

are netted against group equity without an effect upon comprehensive income and reported under the position "Currency translations".

The following currency exchange rates were used:

	Average exchange rate		Exchange rate at the balance sheet date	
	2024	2023	31.12.2024	31.12.2023
CNY	7.7700	7.6805	7.5833	7.8509
CZK	25.1256	23.9808	25.1850	24.7240
GBP	0.8449	0.8687	0.8292	0.8691
HUF	400.0000	384.6154	411.3500	382.8000
TRY	35.7143	25.3807	36.7372	32.6531
USD	1.0804	1.0826	1.0389	1.1050
ZAR	19.8020	20.0401	19.6188	20.3477

C. FAIR VALUE MEASUREMENT

The POLYTEC GROUP measures financial instruments at either amortised cost or fair value. Fair value is defined through the price that would be received in an orderly business transaction between market participants on the valuation date for the sale of an asset, or paid for the transfer of a debt. During the measurement of fair value it is assumed that the business transaction in the course of which the asset sale or debt transfer occurs, takes place on the main market for the asset or the debt, or should a main market not exist, on the most advantageous market. The POLYTEC GROUP measures fair value using the assumptions employed by the market participants as a basis for pricing. It is presupposed that the market participants act in their best business interest.

During the measurement of the fair value of a non-financial asset, the ability of the market participant to generate economic advantage through maximum and best asset use is accounted for.

Valuation techniques are employed for the determination of fair value which are appropriate under the respective conditions and provide sufficient data for fair value measurement, whereby observable input factors are used if possible.

Depending upon the significance of the influential factors included in the valuation, a differentiation is made between three fair value levels, which clarify the extent to which observable market data is available for fair value measurement.

The levels of the fair value hierarchy and their application with regard to assets and liabilities can be described as follows:

Level 1:

Listed market prices for identical assets or liabilities in active markets.

Level 2:

Information other than listed market prices that is directly (e. g. prices) or indirectly (e. g. extrapolated from prices) observable.

Level 3:

Information regarding assets and liabilities that is not based on observable market data.

D. ACCOUNTING AND VALUATION PRINCIPLES

The principles of standardised accounting and valuation are applied through directives that are valid throughout the entire group. All financial statements are based on a going concern principle of the group.

1. INTANGIBLE ASSETS

Acquired intangible assets are valued at the cost of acquisition and subjected to scheduled amortisation on a straightline basis. The amortisation rates range between 10.0% and 50.0%.

Expenses for research are shown as expenses in the year of their occurrence. Engineering costs also generally represent periodic expenses. These are capitalised when certain conditions can be proven and are cumulatively fulfilled. Among other aspects, it must be verifiable that engineering activities are very likely to result in the future accrual of funds, which not only cover standard costs, but also the related development expenses. Engineering costs were not incurred in either the current fiscal year or the previous year.

2. TANGIBLE ASSETS

Tangible assets are valued at the cost of acquisition or production less scheduled depreciation. Scheduled depreciation is determined using the straight-line method and takes place either on the basis of fair value, or should this be higher, the utility value.

The following rates are used for the scheduled depreciation on depreciable tangible assets:

Buildings and leasehold improvements	2.5 – 20.0%
Technical equipment and machinery	6.7 – 50.0%
Factory and office equipment	10.0 – 50.0%

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the acquisition costs of that asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Obligations exist from leasing, rental and lease agreements, which are reported as right-of-use assets in the tangible assets of the consolidated balance sheet. In the 2024 financial year, right-of-use assets were mainly

recognised for office, production and warehouse buildings, production machines, company vehicles and forklifts.

3. INVENTORIES

Inventories are reported at their acquisition or production costs, or the lower net realisable value on the balance sheet date. The determination of acquisition and production costs is performed for similar assets in accordance with the weighted average cost method, or comparable methods. Production costs only include directly attributable costs and proportionate overhead costs. Interest on borrowed capital is not capitalised, as no substantial borrowing costs are incurred that are directly attributable to qualifying assets. The risk derived from obsolete inventory stocks is accounted for by appropriate reductions in the carrying amount.

4. TRADE ACCOUNTS RECEIVABLE

Receivables are capitalised at the transaction price.

Apart from the standard valuation of receivables on the basis of a past analysis and an estimate of future developments, which takes into account default, country risk and existing loan insurance, in the case of an individual impairment, the likelihood of a payment receipt is also evaluated. In particular, experiences with the customers, their creditworthiness and any hedging are taken into consideration. Notes regarding value adjustments and corrections resulting from price differences are shown in item E. 12.

5. CONTRACT ASSETS/LIABILITIES FROM CONTRACTS WITH CUSTOMERS

The revenue and result realisation of a contract with customers for the production of tooling and engineering services takes place in accordance with the percentage of completion method (period-based sales revenue recognition), to the extent that no possibility for alternative use and a right to payment including an appropriate margin exist. Progress is determined on the closing date on the basis of the ratio on the balance sheet date of the costs incurred to the estimated overall expense of the respective customer contract. Changes to the contractual work, the requirements and performance bonuses are included to the degree that their amount can be determined reliably and legal enforceability is given. The contract assets are reclassified as receivables if the rights become unreserved.

As a rule, this occurs when the group presents the customer with an invoice.

Should it not be possible to reliably determine the result of customer contracts, the related income is only reported to the amount of the incurred contractual costs that are probably recoverable. Contractual costs are recognised as expenses in the period in which they occur. If it is anticipated that the entire contractual costs will exceed the total contractual income, the anticipated loss is reported immediately as an expense (provision for impending losses).

If on the closing date the contractual costs plus recognised profits and minus recognised losses exceed the partial invoices, then the surplus is to be reported as contract assets. The company expects the recognition of the proceeds from contract assets within a period of two to five years. In the case of contracts in which the partial invoices exceed the incurred costs plus recognised gains and minus recognised losses, the surplus is to be reported as a contract liability. Amounts received prior to the provision of production performance are reported in the consolidated balance sheet as "Contract liabilities". Settled amounts for already completed performance that have not yet been paid by the customer are included in the consolidated balance sheet under the item "Trade accounts receivable" and as a rule are paid within a short deadline.

In the case of series parts, which do not offer an alternative possibility for use, the criteria for period-based sales revenue recognition are met when an order has already been received.

Contract assets from contracts with customers include amortisation receivables from tooling and development projects already accepted by the customer, and admission fees. These contract assets usually contain an interest component.

Amortisation receivables from tooling and engineering projects already accepted by the customer and for which customer agreements to the offsetting of claims via a surcharge on the part price exist, are capitalised and paid during the settlement for serial parts.

Admission fees for order obtainment are capitalised and repaid over the duration of the customer contract received.

In addition, the costs of engineering services and toolings are reported as inventories where no enforceable contractual claim to reimbursement exists, but nevertheless such expenses can be allocated directly to an

ongoing or future series production order. In accordance with IFRS 15 (Costs to Fulfil a Contract) these contractual costs are capitalised and recognised in profit and loss as an expense over the contract period. In such cases the surcharges imposed upon the component price for development services and tooling production are first recognised as sales revenues upon delivery of the serial products. Impairment is undertaken where the capitalised contractual costs exceed the expected contribution received from the customer.

6. OTHER RECEIVABLES

Where existent, the reported other receivables include any derivative financial assets that show a positive market value and are classified as "measured at fair value through profit or loss".

Non-current receivables are recognised at present value on the basis of an interest rate in line with the market.

7. ASSETS HELD FOR SALE

Assets held for sale are valued at the carrying amount or the lower anticipated sales proceeds less selling costs. The anticipated sales proceeds are determined by means of the monitoring of comparable objects in the market and the initial price indications of interested parties.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, cheques and cash at banks.

9. IMPAIRMENT

Intangible and tangible assets are subjected to an impairment test if there is an indication that an asset or a cash generating unit may be impaired. Intangible assets with an indefinite useful life and intangible assets that are not yet subject to wear and tear are subject to an annual impairment test, regardless of whether there is an indication of impairment.

For the purpose of impairment testing, assets are aggregated into the smallest identifiable group that can generate largely independent cash inflows from other assets (cash-generating unit, CGU). At POLYTEC GROUP the cash-generating unit has represented the level of the entire Group, which means that there is only one CGU.

Independent of the legal entities, regions or product lines, the POLYTEC GROUP is clearly oriented towards the production of complex plastic modules with a focus on the automotive industry. Central control of the entire group is therefore essential and is provided via the holding company and the Board of Directors.

Impairment is deemed to exist if the recoverable amount of the asset, or of the cash-generating unit is lower than the carrying amount. The recoverable amount is the higher of the value in use and the fair value less selling costs.

The value in use of the asset corresponds to the present value of the estimated future cash flow. The cash flow employed to determine the value in use is derived from current plans approved by the Board of Directors and the Supervisory Board. The calculation of future cash flow is based on a planning horizon of three years. For the period after this planning horizon, a perpetual annuity is calculated based on the assumptions for the third year. The interest rate used to determine the present values is a pre-tax interest rate that is customary in the market and adjusted to the specific risks of the asset or the cash-generating unit. This corresponds to the weighted average cost of capital.

Impairment expense is disclosed to the amount by which the carrying amount of the individual asset or the cash-generating unit exceeds the recoverable amount. Impairment expenses reduce the carrying amounts of the assets of the cash-generating unit on a pro rata basis.

Should the reasons for impairment cease to exist, corresponding write-ups are performed for tangible and intangible assets up to the amortised costs.

10. OBLIGATIONS TO EMPLOYEES

PROVISIONS FOR SEVERANCE PAYMENTS

Due to statutory obligations, employees of domestic group companies who joined the company prior to 1 January 2003 are entitled to a one-off severance payment in the event of the termination of their contract, or at the time of retirement. The payment amount depends upon the number of years of service and the relevant remuneration at the severance date. For all employment contracts concluded after 31 December 2002, payments are made to a company pension fund for employees and reported as an expense.

The provisions for severance payments are determined on the balance sheet date using the projected unit credit method, as well as by applying a discount rate of 3.20%

(2023: 4.10%) and allowing for future remuneration increases of 2.00% (2023: 3.00%). A discount for employee turnover based on the years of service is included. The assumed uniform retirement age for men and women, taking into account certain temporary arrangements, is unchanged over the preceding year at 62. Service costs are divided over the entire period of service of employees from the date that they join the company until they reach the expected retirement age.

Pursuant to IAS 19, actuarial gains/losses are recognised under other comprehensive income in the year in which they occur. Current and past service costs are reported as personnel expenses in the consolidated income statement, while the interest expense related to provisions for severance payments is reported in the financial result.

PENSION OBLIGATIONS

Due to contractual agreements, pension obligations exist for some employees of three German corporate entities. The accounting for these obligations is carried out in accordance with IAS 19, with the determination based on the projected unit credit method. Depending on the distribution of obligations between entitlements and current pensions, as well as the specific regulations of the individual pension schemes, a discount rate of 3.25% (2023: 3.82%) and a pension or salary trend of 2.00% (2023: 2.00%)—unless a lower trend has been agreed—are applied. The 2018G – Dr. Klaus Heubeck tables are used for the actuarial calculations.

In accordance with IAS 19, actuarial gains/losses are recognised under other comprehensive income in the year in which they occur. Current and past service costs are reported as personnel expenses in the consolidated income statement, while the interest expense related to provisions for pensions is reported in the financial result.

At one Dutch company, the entitlements of active pension scheme members are dealt with in the form of a defined contribution pension plan. The pension entitlements of former employees and beneficiaries are calculated as a percentage of the annual remuneration during each year of service. These benefits are handled via an insurance company and are indexed on an ongoing basis in line with the specifications of the industry pension fund.

Two POLYTEC GROUP companies in Germany have outsourced their defined benefit pension commitments to a mutual insurance society (pension fund), which is monitored by the Federal Financial Supervisory Authority (BaFin). The pension fund covers retirement, disability and survivor pensions. The pension fund insures both active and former employees of POLYTEC GROUP. As at

30 June 2016, the POLYTEC GROUP terminated all future contribution payments and will assume future pension payments through internal financing (future services).

OTHER LONG-TERM OBLIGATIONS TO EMPLOYEES

Due to collective or company-specific arrangements, employees are entitled to receive anniversary bonuses after they have reached certain years of service. This obligation is provided for in the form of a provision using the following parameters:

	Discount rate (p.a.)		Future remuneration increase	
	2024	2023	2024	2023
Austria	3.40%	4.10%	2.00%	2.60%
Germany	3.40%	4.10%	2.00%	2.00%

A fluctuation deduction is made based on length of service.

11. TAXES

Tax receivables are reported as netted against tax liabilities when they relate to the same fiscal authority and a possibility for netting is available.

The income tax expense (the income tax credit) includes both actual and deferred taxes.

The group is unaware of any material tax risks. Moreover, in the course of the determination of the provision for taxes and deferred taxes, individual tax risks are countered by means of a cautious probability balance. In the case of current open tax audits, queries that have been raised, but do not represent definitive issues within the context of an overall estimate of the total group tax burden are accounted for in the provision for income taxes. As a rule no deduction is made for the detection risk.

The actual taxes for the individual companies are calculated on the basis of the taxable income of the company and the applicable tax rate in the respective country.

In particular, tax deferrals are formed for timing differences between IFRS valuations and the tax balances of individual companies, as well as for consolidation processes. Pursuant to IAS 12, their determination takes place in accordance with the balance sheet liability method. The likely realisable tax advantage emanating from existing loss carryforwards is also included in the investigative process. Deferred tax assets are only formed on loss carryforwards when their use can be expected

within five years. The calculation of deferred tax is based on the standard rate of national income tax.

12. LIABILITIES

Trade accounts payables are measured at the fair value of the goods and services received when the liabilities arise. Subsequently, these liabilities are measured at amortised cost. Other liabilities, especially borrowed interest-bearing liabilities, are recognised at their repayment amount, unless there is a material difference to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

13. PROVISIONS

Provisions are formed when it can be determined with certainty that there are legal or de facto obligations to third parties based on past business transactions or events that are likely to lead to an outflow of resources. Such provisions are recognised at the expected settlement amount with due regard to all the identifiable risks attached. Within this context, the settlement amount with the highest probability of occurrence is assumed. Non-current provisions are discounted if the discounting effect is material and the discounting period can be estimated reliably.

Provisions for contingent losses and potential risks consist of the provisions for contingent losses pursuant to IAS 37 and for disadvantageous contracts in accordance with IFRS 3.

In connection with a legal dispute arising from an insolvency proceeding, EUR 5,749 k is being claimed from the company. The management assumes that the claims are not justified and therefore no provision has been recognised. The use of the protection clause in accordance with IAS 37.92 has been made.

14. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the balance sheet should the group become a contractual party in relation to a financial instrument.

Financial assets are derecognised when the contractual rights from the assets expire, or the assets are transferred with all material rights and obligations. Financial liabilities are also derecognised if the contractual obligations have been settled, deleted or have expired. Purchases and sales

of financial instruments subject to customary market conditions are generally reported with the settlement date.

Financial assets are categorised as follows:

- a. Financial assets measured at fair value through profit or loss (FVPL)
- b. Financial assets measured at amortised cost

Financial assets are measured at amortised cost when the asset is held in order to gather contractual cash flows as part of the business model and the contractual terms result in cash flows at specified dates, which solely represent the reimbursement of capital and interest on the principal outstanding. If these two conditions are not met, the valuation is made at FVPL. A valuation at FVPL was only carried out for derivatives in the previous year.

Financial liabilities are categorised as follows:

- a. Financial liabilities measured at amortised cost
- b. Financial liabilities measured at FVPL

Financial liabilities are measured at amortised cost using the effective interest method. The only exception to measurement at amortised cost is provided by derivatives, which are measured in the consolidated financial statements at FVPL.

Other possible categories pursuant to IFRS 9 are not applied and hedge accounting is also not employed. Financial derivatives are only concluded for the hedging of basic business. Financial derivatives that do not correspond to hedge accounting pursuant to IFRS 9 are classified as assets or liabilities measured at fair value through profit or loss and recognised in the balance sheet at fair value. This corresponds to the current value, should one exist, or is determined using standard valuation methods employing the market data available on the valuation closing date. Fair value mirrors the estimated amount that the POLYTEC GROUP must pay or receive if this transaction were to be completed on the balance sheet date. Changes in value are recognised in the consolidated income statement through profit and loss.

15. REALISATION OF INCOME AND EXPENSES

Revenue includes all income resulting from the typical business activities of the POLYTEC GROUP. They are recognised over time, a revenue recognition at a point in time is not applied.

Investment grants from public funds reduce the acquisition or manufacturing costs. The presentation of grants from public funds related to income varies, whether the grant

offsets several expense categories or not. Consequently, grants for Research & Development activities, that are provided for several expense categories, are presented as other income, whereas grants related to a specific expense category, as the short-time working grant, are credited directly to this expense category. A grant from public funds is not recognised until there is reasonable assurance that the conditions attached to it will be fulfilled.

Operating expenses are recognised through profit and loss when the service is rendered or the expenses are incurred.

16. FINANCIAL RESULT

The interest result (expenses) includes the interest arising from debt financing and interest equivalent expenses from leasing transactions, as well as the interest components of the change in obligations to employees.

The interest result (revenues) includes the interest, dividends and similar revenues realised from the investment of funds and investment in financial assets. Interest income is realised proportional to time and the effective interest rate of the asset is taken into account. Dividend income is reported with effect from the date of the legal claim.

Gains and losses from the disposal of financial assets, impairment expenses from financial investments, exchange rate gains and losses in connection with financing activities, as well as the results from hedging transactions are reported in the other financial income and other financial expenses.

17. GROUP CASH FLOW STATEMENT

The indirect method was selected for the consolidated cash flow from operating activities disclosed in the presentation of the group cash flow statement. The financial fund corresponds to the cash and cash equivalents and current funding.

In the 2024 financial year, the option under IAS 7.31 will be exercised, as in the previous year. Accordingly, interest received is reported in the consolidated cash flow from investing activities, while interest paid is reported in the consolidated cash flow from financing activities.

18. UNCERTAINTIES WITH REGARD TO ASSESSMENTS AND ASSUMPTIONS

The preparation of the consolidated financial statements requires that the management draws up estimates and

assumptions with regard to the application of accounting and valuation principles, as well as potential future developments that might influence the reporting and value of the recognised assets and liabilities, information regarding other obligations on the balance sheet date, and the recognition of income and expenses during the reporting period. The actual amounts to be realised in the future may deviate from these estimations.

In assessing the intrinsic value of intangible and tangible assets management prepares estimates and future related assumptions regarding the surplus inflows expected over the planning periods and the costs of capital of both the POLYTEC GROUP and the cash-generating unit. Such estimates are made in all good faith subject to the assumption that the group is a going concern. They are also based upon experience and take any remaining uncertainty into due account.

The revenue and result realisation of a customer contract for the production of tooling and engineering services takes place on the basis of the percentage of completion (period-related revenue realisation). The realisation of amortisation receivables and admission fees is also founded on estimates that incorporate all the information available on the balance sheet date. Subsequent changes are possible and can lead to asset value adjustments and exert a material influence upon the results from subsequent periods.

In assessing the recoverability of deferred tax assets, the management evaluates the likelihood that all deferred tax assets will be realised. The final realisation of deferred tax assets is dependent upon the generation of future taxable income in those periods during which temporary differences become deductible. If the company is unable to generate sufficient future taxable income, no deferred tax benefits from operating loss carryforwards or temporary differences can be recognised and their value has therefore to be adjusted correspondingly. The assumptions regarding future payment surpluses and the future result subject to tax are based on medium-term group planning. Assumptions concerning future payment surpluses, as well as future taxable results, are based on the medium-term planning of the group. Should these prove to be incorrect, this can have considerable effects on the assets reported in subsequent years. A sensitivity analysis has shown that, as in the preceding year, in comparison to medium-term planning a 10% reduction in taxable income would not result in any additional value adjustment to the deferred tax assets from loss carryforwards and temporary differences.

The estimation of the useful life of fixed assets is either based on experience values resulting from the operation of

comparable plant, or a shorter anticipated product lifecycle. In addition, during the determination of rights of use an estimate regarding periods and any possible termination and prolongation options, as well as the extrapolation of the interest rate is of relevance.

The actuarial assessment of severance, pension and longservice obligations carried out by independent actuaries is based on a method that employs parameters such as the expected discount rate, increases in remuneration payments and pension contributions. In addition to the interest rate risk and the risk of a potential increase in remuneration payments and pension contributions, there is also a longevity risk. If the development of these relevant parameters differs significantly from the original expectations, this may have considerable effects upon the provisions and consequently upon the group's net expenses for severance payments and pension contributions. In order to present the impact of a change in the interest rate used to determine severance payment and pension obligations, a sensitivity analysis was carried out, which is explained in greater detail under E. 21 "Obligations to employees".

19. ERROR CORRECTION IN ACCORDANCE WITH IAS 8

As a result of the centralization of toolmaking activities in a separate company in Germany, an analysis during the ongoing preparation of the annual financial statements at POLYTEC Car Styling UK Ltd. identified a discrepancy from previous years related to revenue recognition for tools based on the POC. This led to a double entry of revenue or an incorrect determination of the percentage of completion. Based on a comprehensive review, it was determined that a thorough follow-up and allocation to individual past financial years was not feasible within a reasonable effort due to the multitude of project bookings and the high personnel turnover in the past. The resulting adjustment was recognised in the consolidated financial statements of POLYTEC Holding AG as at the 31 December 2024, at the earliest possible date, which is the 1 January 2024, and was accounted for in retained earnings amounting to EUR 2,634 k.

in EUR k	Before error correction	Error correction	After error correction
Contract assets from contracts with customers	88,789	-2,634	86,155
Assets	88,789	-2,634	86,155

in EUR k	Before error correction	Error correction	After error correction
Retained earnings	160,981	-2,634	158,347
Equity and liabilities	160,981	-2,634	158,347

20. CHANGE IN DISCLOSURE

In the financial result, the interest result was split into interest expense and interest income to achieve a more transparent presentation. While interest expense will be presented as a separate item in future, interest income will be reported together with other financial income. The previous year's amounts were adjusted, resulting in a reclassification of interest income in the amount of EUR 250 k from the interest result to interest income.

Similarly, a reclassification was made in the balance sheet to achieve a more transparent presentation. Other current receivables (EUR 14,772 k; 2023: EUR 25,895 k) are divided into other current non-financial receivables and assets (EUR 5,977 k; 2023: EUR 10,114 k) and other current financial assets (EUR 8,795 k; 2023: EUR 15,781 k). The previous year's figures have been adjusted.

E. NOTES TO THE GROUP'S CONSOLIDATED INCOME STATEMENT, THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND CONSOLIDATED BALANCE

1. NET SALES REVENUES AND SEGMENT REPORTING

Following a comprehensive analysis of the reporting structure, it was concluded that the POLYTEC GROUP is a one-segment group. Therefore, the obligatory operating segment reporting for a single segment in the 2024 and 2023 financial year is limited to inter-segmental disclosures in accordance with IFRS 8.31 et seq.

As an automotive industry sub-supplier, the group naturally depends upon a small number of major customers.

The distribution of sales according to customers is as follows:

in EUR k	2024	2023
VW	192,923	244,011
Mercedes Benz	206,412	178,932
Jaguar Land Rover	61,039	61,544
Other Automotive	126,435	95,603
Non-Automotive	91,023	55,896
Total	677,831	635,987

In 2024 and 2023, two respective customer groups provided more than 50% of the group's total sales. Due to the extensive range of models and marques of these key accounts, which as a rule operate in the passenger car and commercial vehicle sectors, the customer-supplier relationship in both cases relates to all business areas, although to differing degree.

The distribution of sales according to market segments is as follows:

in EUR k	2024	2023
Passenger Cars & Light Commercial Vehicles	494,505	470,552
Commercial Vehicles	92,303	109,538
Industrial Applications	91,023	55,896
Total	677,831	635,987

The disclosures concerning geographical areas to be made at group level (determined in the sales revenues area in line with the location of customers' business premises) on the balance sheet dates can be summarised as follows:

in EUR k	External sales		Intangible assets, goodwill and tangible assets	
	2024	2023	2024	2023
Austria	4,535	3,102	48,835	67,164
Germany	412,928	343,029	91,212	92,232
Great Britain	65,927	78,343	30,874	26,949
Sweden	20,238	21,592	0	0
Hungary	25,974	27,832	4,295	5,013
Rest of EU	110,058	122,172	36,273	34,092
Other countries	38,170	39,916	20,536	23,006
Total	677,831	635,987	232,025	248,457

Period-related sales revenues are divided according to categories as follows:

in EUR k	2024	2023
Part sales and other revenues	602,701	550,782
Tooling and engineering sales	75,130	85,205
Total	677,831	635,987

2. OTHER OPERATING INCOME

in EUR k	2024	2023
Income from the disposal of and additions to fixed assets excluding financial assets	922	129
Income from cost reimbursements	1,405	685
Grants and receivables	1,432	2,219
Rental income	8	14
Income from patents	417	452
Income from electricity feed	0	33
Insurance compensations and indemnity payment	1,329	467
Other income	1,306	1,239
Total	6,819	5,238

In the past financial year, grants from public funds amounting to EUR 1,742 k (2023: EUR 2,221 k) were recognised in the income statement. These consists mainly of subsidies for energy costs in the amount of EUR 11 k (2023: EUR 660 k), premiums for environmental subsidies in the amount of EUR 203 k (2023: EUR 554 k), customer subsidies in the amount of EUR 614 k (2023: EUR 531 k), which are reported under other operating income. In addition, short-time working

allowances in the amount of EUR 310 k (2023: EUR 2 k) were received in 2024. These are deducted from wages and salaries. The short-time working allowances received in the fiscal year were obtained in Germany.

3. EXPENSES FOR MATERIALS AND SERVICES RECEIVED

in EUR k	2024	2023
Material expenses	309,805	275,266
Expenses for services received	42,789	62,341
Total	352,594	337,607

4. PERSONNEL EXPENSES

in EUR k	2024	2023
Wages and salaries	163,335	150,870
Expenses for leased personnel	30,555	33,004
Statutory social expenses	33,321	30,774
Expenses for severance payments and pensions	2,821	2,043
Other personnel expenses	1,359	1,460
Total	231,391	218,150

The expenses for severance payments and pensions also include expenses for defined contribution plans. For the Austrian companies within the group, these expenses amounted to EUR 393 k (2023: EUR 351 k).

In connection with government grants, we would refer you to the information under item E. 2 "Other operating income".

The number of employees of the POLYTEC GROUP (including leased personnel) was as follows:

in FTE	2024	2023
Average	3,877	3,884
As at 31 December	3,678	3,835

The number of employees of the POLYTEC GROUP (excluding leased personnel) was as follows:

in FTE	2024	2023
Average	3,435	3,291
As at 31 December	3,439	3,359

The average numbers of POLYTEC Holding AG employees (excluding leased personnel) and of the Austrian subsidiaries of the POLYTEC GROUP were as follows:

in FTE	2024	2023
Blue-collar employees	258	248
White-collar employees	202	194
Total	460	442

The other operating costs also contain the following expenses for the services provided by the group auditors:

in EUR k	2024	2023
Annual and group financial audit	256	250
Other non-auditing services	93	10
Other services	24	48
Total	373	308

5. OTHER OPERATING EXPENSES

in EUR k	2024	2023
Maintenance costs	15,675	15,852
Other operating costs	8,148	7,639
Other administrative costs	10,243	8,957
Outgoing freight	7,608	8,194
Other sales costs	2,099	2,342
Expenses from variable, short-term and low-value rental and lease contracts	3,988	3,340
IT and communication costs	6,701	5,803
Legal and consulting costs	5,428	5,202
Taxes and charges not included in income tax	1,415	1,237
Risk provisions and damage cases	3,918	179
Losses from the disposal of fixed assets excluding financial assets	17	196
Expense for currency translation differences	36	532
Total	65,277	59,471

6. FINANCIAL RESULT

in EUR k	2024	2023
Interest income and income from securities	547	250
Interest component of pension commitments	-722	-687
Other interest expenses	-11,419	-8,376
Interest derived from lease liabilities	-662	-310
Other financial expenses and other financial income	-105	54
Total	-12,361	-9,070

The increase in other interest expenses is largely due to the refinancing carried out at the end of the 2023 financial year and the beginning of the 2024 financial year. See also the explanations under the item G. 2 "Liquidity risk".

The interest component from pension commitments is a non-cash item. All other interest expenses or interest income consist largely of cash items.

The net result according to valuation categories is as follows:

31.12.2024	Operating result		Financial result		
in EUR k	Value adjustment	Currency translation	Interest	Result from FV measurement	Net result
Financial assets measured at amortised cost	-4,103	0	547	0	-3,556
Financial liabilities measured at amortised cost	0	-36	-11,419	0	-11,456

31.12.2023	Operating result		Financial result		
in EUR k	Value adjustment	Currency translation	Interest	Result from FV measurement	Net result
Financial assets measured at amortised cost	-842	0	250	0	-593
Financial liabilities measured at amortised cost	0	-532	-8,376	0	-8,908

7. TAX INCOME/EXPENSES

in EUR k	2024	2023
Expenses for current taxes	-2,011	-792
thereof aperiodic	37	50
Income from deferred taxes	3,619	2,522
thereof aperiodic	455	47
Total	1,607	1,730
thereof aperiodic	492	97

The income tax revenue for the 2024 financial year amounting to EUR 1,607 k is EUR 350 k lower than the calculated income tax revenue totalling EUR 1,957 k, which would have resulted from the application of a tax rate of 23% on the result before income tax of EUR -8,508 k.

The reasons for the difference between the calculated and the disclosed group income tax revenue/expense can be summarised as follows:

in EUR k	2024	2023
Earnings before tax	-8,508	-15,789
thereof 23% (2023: 24%) calculated income tax revenue	1,957	3,789
Tax-free deconsolidation result	166	0
Participation and inter-company valuations	0	-96
Tax-free grants and subsidies	320	124
Non-capitalised tax losses less utilised non-capitalised loss carryforwards	-428	-2,228
Permanent differences and other changes	-1,012	-483
Differences from the discrepancy between the local and consolidated tax rates	84	528
Income tax revenue of the period	1,088	1,634
Aperiodic income tax revenue	37	50
Aperiodic deferred income tax revenue	482	47
Disclosed income tax revenue	1,607	1,730

The aperiodic deferred tax income amounting to EUR 482 k (2023: EUR 47 k) resulted mainly from past tax losses, which are recognised for the first time in the financial year.

8. INTANGIBLE ASSETS AND GOODWILL

The classification of the intangible assets shown in the consolidated balance sheet and their development are as follows:

in EUR k	Rights	Goodwill	Advance payments made	Total
Acquisition costs				
As at 1.1.2023	17,621	38,971	4,231	60,823
Currency translation differences and adjustments due to hyperinflation	0	0	0	0
Additions	156	0	266	423
Disposals	-529	0	0	-529
Reclassification	2,859	0	-2,859	0
As at 31.12.2023	20,108	38,971	1,638	60,717
As at 1.1.2024	20,108	38,971	1,638	60,717
Change in the scope of consolidation	-4	0	0	-4
Currency translation differences and adjustments due to hyperinflation	-5	0	0	-5
Additions	495	0	713	1,207
Disposals	-55	0	0	-55
Reclassification	1,293	0	-1,293	0
As at 31.12.2024	21,831	38,971	1,058	61,861
Accumulated depreciation				
As at 1.1.2023	14,509	38,971	0	53,481
Currency translation differences and adjustments due to hyperinflation	2	0	0	2
Depreciation	1,513	0	0	1,513
Disposals	-529	0	0	-529
As at 31.12.2023	15,493	38,971	0	54,464
As at 1.1.2024	15,493	38,971	0	54,464
Change in the scope of consolidation	-4	0	0	-4
Currency translation differences and adjustments due to hyperinflation	-1	0	0	-1
Depreciation	1,308	0	0	1,308
Disposals	-55	0	0	-55
As at 31.12.2024	16,741	38,971	0	55,711
Carrying amounts as at 31.12.2023	4,614	0	1,638	6,253
Carrying amounts as at 31.12.2024	5,090	0	1,058	6,148

The research and development expenses of the group during the financial year amounted to approximately EUR 575 k (2023: EUR 620 k).

IMPAIRMENTS

In the 2024 financial year, the intangible and tangible assets were subjected to impairment testing. As in previous years, there was no need for impairment.

The impairment tests were based on the following assumptions:

	31.12.2024	31.12.2023
Cash flow planning period	3 Years	3 Years
Long-term perpetuity growth rate	0%	0%
Discount rate (WACC) before taxes	10.69%	12.76%

9. TANGIBLE ASSETS

The classification of the tangible assets shown in the consolidated balance sheet and their development is as follows:

in EUR k	Land and buildings	Real estate right-of-use	Technical equipment and machinery	Machinery right-of-use	Fixtures, fittings and equipment	Advance payments made and assets under construction	Total
Acquisition costs							
As at 1.1.2023	167,791	6,212	270,586	19,135	62,474	8,732	534,930
Currency translation differences and adjustments due to hyperinflation	1,169	-20	-60	-2	-53	-69	966
Additions	1,167	2,958	7,751	746	5,703	9,533	27,858
Disposals	-1,793	-15	-9,914	-1,310	-4,072	-3,807	-20,910
Reclassification	723	0	3,074	0	1,309	-5,107	0
Revaluation	0	530	0	361	0	0	891
As at 31.12.2023	169,058	9,666	271,437	18,930	65,362	9,282	543,733
As at 1.1.2024	169,058	9,666	271,437	18,930	65,362	9,282	543,733
Change in the scope of consolidation	-26,147	0	0	0	0	0	-26,147
Currency translation differences and adjustments due to hyperinflation	604	196	966	-10	164	47	1,968
Additions	464	9,655	5,808	5,555	2,753	15,839	40,075
Disposals	-14	0	-12,281	-5,514	-906	173	-18,542
Reclassification	92	0	2,854	0	3,880	-6,816	10
Revaluation	0	40	-147	722	0	0	615
As at 31.12.2024	144,057	19,557	268,638	19,684	71,253	18,525	541,711
Accumulated depreciation							
As at 1.1.2023	36,915	2,680	188,934	8,180	46,612	18	283,337
Currency translation differences and adjustments due to hyperinflation	1,264	-9	-124	52	-38	0	1,143
Depreciation	6,692	1,268	13,823	3,604	6,458	0	31,845
Disposals	-929	-15	-10,015	-1,310	-2,703	-5	-14,977
Revaluation	0	6	0	176	0	0	183
As at 31.12.2023	43,940	3,930	192,617	10,702	50,329	13	301,531
As at 1.1.2024	43,940	3,930	192,617	10,702	50,329	13	301,531
Change in the scope of consolidation	-3,968	0	0	0	0	0	-3,968
Currency translation differences and adjustments due to hyperinflation	135	54	469	-3	90	0	745
Depreciation	4,573	2,234	14,005	4,508	5,187	0	30,506
Disposals	-8	0	-6,821	-5,383	-792	0	-13,004
Revaluation	0	0	0	29	-4	0	25
As at 31.12.2024	44,673	6,218	200,270	9,852	54,810	13	315,836
Carrying amounts as at 31.12.2023	125,118	5,736	78,820	8,229	15,033	9,269	242,204
Carrying amounts as at 31.12.2024	99,384	13,339	68,367	9,832	16,443	18,512	225,877

Property, plant and equipment were subject to an impairment test in the 2024 financial year. For details, we would refer you to E. 8 „Intangible assets and goodwill“.

“Land and buildings” contains a real property value of EUR 23,801 k (2023: EUR 33,025 k).

For right-of-use properties and right-of-use machines, the revalued lease agreements are presented under revaluation.

No borrowing costs for qualifying assets have been capitalised in the 2024 and 2023 financial years.

As at 31 December 2024, the obligations relating to unpaid orders for the delivery of fixed assets amounted to EUR 5,830 k (2023: EUR 4,771 k).

For bank loans amounting to EUR 6,894 k (2023: EUR 8,133 k) property, plant and equipment are pledged as collateral in the same amount. The decrease results from the repayment of bank loans during the year.

In detail, the due dates of the lease liabilities reported on the balance sheet date are as follows:

in EUR k	31.12.2024	31.12.2023
Within one year	6,011	4,597
Longer than one year and within five years	12,011	7,792
Longer than five years	5,068	1,422

In the 2024 financial year, the total cash and cash equivalent outflows emanating from lease agreements amounted to EUR 8,382 k (2023: EUR 8,868 k). Apart from repayments, this figure includes outflows of cash and cash equivalents relating to short-term leases totalling EUR 2,593 k (2023: EUR 2,529 k), variable leases totalling EUR 976 k (2023: EUR 590 k) and leases on low-value assets totalling EUR 19 k (2023: EUR 199 k). The interest expenses for lease costs totalling EUR 662 k (2023: EUR 310 k) are noncash.

As part of a sale and leaseback transaction carried out in the 2024 financial year, the plant and property at the Hörsching site have been leased since April 2024. This transaction is part of the real estate transaction described under “Corporate transactions and foundations 2024”. A monthly lease payment of EUR 100 k was agreed for the rental period in the 2024 financial year. The basic lease term is 10 years. The carrying amount of the right-of-use asset as at the 31 December 2024 amounts to EUR 8,744 k. For further details, refer to G. 3 “Related parties and companies”.

10. DEFERRED TAX ASSETS/LIABILITIES

The discrepancies between the amounts stated in the tax and IFRS balance sheets result from the following balance sheet items and take effect on deferred taxes as follows:

in EUR k	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Intangible and tangible assets	11,263	2,878	6,831	3,240
Loss carryforwards	4,750	0	6,183	0
Trade accounts receivables	116	0	0	0
Contract assets	6,955	9,533	0	5,088
Other assets	3	686	2	0
Provisions for pensions	1,599	0	1,250	0
Provisions for severance payments	755	0	766	0
Other provisions for personnel	68	0	80	0
Contract liabilities	0	0	476	0
Other provisions	127	832	317	0
Other liabilities	58	20	5	27
Subtotal	25,695	13,949	15,908	8,355
Offsetting due to identical tax authorities	-12,997	-12,997	-7,183	-7,183
Deferred taxes pursuant to the balance sheet	12,698	952	8,725	1,172

In 2024, group companies reported net deferred tax assets on temporary differences and loss carryforwards totalling EUR 12,698 k (2023: EUR 8,725 k). These are considered valuable, as these companies are expected to generate future tax profits based on the current medium-term planning.

As at 31 December 2024, group income tax loss carryforwards totalled EUR 95,563 k (2023: EUR 99,731 k) and demonstrated the following structure:

in EUR k	31.12.2024	31.12.2023
Total	95,563	99,731
capitalised loss carryforwards	29,231	38,223
of which applicable for an unlimited period	28,835	38,223
of which will expire in the next five years	396	0
non-capitalised loss carryforwards	66,332	61,508
of which applicable for an unlimited period	58,618	55,622
of which will expire in the next five years	7,714	5,886

No deferred tax assets were recognised for deductible tax loss carryforwards amounting to EUR 66,332 k (2023: EUR 61,508 k), as a future taxable result against which unused tax losses can be employed is currently assessed as being insufficiently guaranteed. This equates to deferred tax assets of EUR 12,236 k (2023: EUR 11,042 k). Of the non-capitalised loss carryforwards (gross amounts), EUR 8,110 k (2023: EUR 5,886 k) will expire within the next five years.

For temporary differences related to interests in subsidiaries amounting to EUR 17,718 k (2023: EUR 19,791 k), no deferred tax assets were recognised in accordance with IAS 12.39, as of the 31 December 2024, it was assumed that the differences between the tax participation approach and the proportional equity of the subsidiaries included in the consolidated financial statements would remain tax-free for the foreseeable future.

The deferred taxes contain tax asset deferrals recognised in equity amounting to EUR 836 k (2023: EUR 515 k) and deferred tax liabilities recognised in equity amounting to EUR 0 k (2023: EUR 0 k).

11. INVENTORIES

Inventories are structured as follows:

in EUR k	31.12.2024	31.12.2023
Raw materials and supplies	37,310	39,801
Unfinished goods	887	1,098
Finished goods and merchandise	654	130
Advance payments made	262	274
Total	39,114	41,303

The unfinished goods and order costs total EUR 887 k (2023: EUR 1,098 k). As in the previous year, there were no impairments for contractual costs in the 2024 financial year.

The change (balance from formation and reversal) in the impairment losses on inventories recognised through profit and loss amounted to EUR 276 k in the year under review (2023: EUR 45 k). Inventories that were recognised as material expenses in the reporting period amounted to EUR 306,158 k (2023: EUR 299,153 k).

In the case of inventories with a carrying amount of EUR 2,755 k (2023: EUR 2,529 k), realisation is first anticipated after twelve months.

As in the previous year, no inventories were reclassified as collateral or pledged as a surety for financial liabilities.

12. TRADE ACCOUNTS RECEIVABLE

The existing provisions for impairments to trade accounts receivable developed as follows in the financial year under review:

in EUR k	31.12.2024	31.12.2023
As at 1.1.	1,664	1,716
Use	-676	-478
Release	0	0
Allocation	3,613	422
Foreign exchange rate differences	2	4
As at 31.12.	4,604	1,664

The impairments consist of specific impairments. Given the low default rates in the past and the unchanged expectations for the future, which are derived from the largely stable customer base, additional general impairments are considered immaterial. There are no substantial differences between the carrying amount and the current value of accounts receivable.

FACTORING

Since the 2008 financial year, factoring agreements have existed owing to which banks and factoring companies are obliged to purchase certain POLYTEC GROUP trade accounts receivable with a monthly rotating nominal volume. For the receivables sold, once the purchase has been completed the default risk linked to the receivables (del credere risk) passes without recourse to the purchasing bank or factoring company. As at 31 December 2024, the factoring agreements had a maximum usable nominal volume totalling EUR 83,030 k (2023: EUR 83,753 k). On the balance sheet date, receivables

amounting to EUR 43,507 k (2023: EUR 59,023 k) had been sold and derecognised from the consolidated financial statements in accordance with IFRS 9, as essentially all opportunities and risks are transferred, only the late payer risk is retained. Interest of EUR 2,016 k (2023: EUR 1,753 k) is retained by the purchasing banks and factoring companies in connection with the sale of the receivables and due to the retained late payment risk. As at 31 December 2024, a blocked amount of EUR 6,298 k (2023: EUR 5,902 k) is presented in the consolidated financial statements in connection with the receivables sold.

Owing to the short-term nature and good creditworthiness of the receivables, the carrying amount may be regarded as a reliable approximate figure for fair value.

13. REVENUES/LIABILITIES FROM CONTRACTS WITH CUSTOMERS

Receivables from construction contracts and service transactions, which pursuant to IFRS 15 are subject to period-related revenue recognition, are reported in the balance sheet under the position "Revenues from contracts with customers". In addition the revenues from contracts, entry fees and amortisation receivables also include those unfinished and finished goods which according to IFRS 15 owing to customised production are also subject to period-related revenue recognition.

The revenues from contracts with customers are thus divided as follows:

in EUR k	31.12.2024	31.12.2023
Unfinished customised goods	13,175	13,368
Finished customised goods	13,949	13,818
Contract assets from tooling and engineering sales	31,781	43,320
Current revenues from contracts with customers	58,905	70,506

in EUR k	31.12.2024	31.12.2023
Unfinished customised goods	0	0
Finished customised goods	0	0
Contract assets from tooling and engineering sales	27,250	31,574
Non-current revenues from contracts with customers	27,250	31,574

The contract liabilities totalling EUR 1,669 k (2023: EUR 1,982 k) consist of advance payments received with regard to tooling and engineering. In the 2024 financial

year, the sum of EUR 1,982 k reported as contract liabilities at the beginning of the period was recognised as sales revenue.

The amount of the impairment of contract assets as at 31 December 2024 was influenced by an increase of EUR 490 k (2023: increase of EUR 420 k). Given the low default rates in the past and the unchanged expectations for the future, which are derived from the largely stable customer base, additional general impairments are considered immaterial. For further details on value adjustments, please refer to G.2 "Risk reporting".

14. OTHER CURRENT RECEIVABLES AND ASSETS

The other current receivables and assets are made up as follows:

in EUR k	31.12.2024	31.12.2023
VAT receivables	1,038	3,405
Receivables from other taxes	2,739	3,450
Accrued income	1,514	1,452
Other remaining current receivables and assets	687	1,807
Other current receivables and assets	5,977	10,114

15. CURRENT FINANCIAL ASSETS

The current financial assets are composed as follows:

in EUR k	31.12.2024	31.12.2023
Blocked amount Factoring	6,298	5,902
Supplier bonuses	754	862
Receivables from grant commitments	295	3,373
Other remaining current financial assets	1,449	5,644
Other current financial assets	8,795	15,781

16. CASH AND CASH EQUIVALENTS

On the balance sheet date, none of the amounts included in this item were subject to restrictions as to their use.

17. FINANCIAL ASSETS

In the valuation categories contained in IFRS 9 as at 31 December 2024 and 31 December 2023 respectively, the carrying amount of financial assets disclosed at amortised cost represents a reasonable approximation of fair value.

Cash and cash equivalents of EUR 66,013 k (2023: EUR 49,610 k), trade accounts receivables of EUR 54,299 k (2023: EUR 52,165 k), short-term financial assets of EUR 8,795 k (2023: EUR 15,781 k) as well as long-term financial assets of EUR 88 k (2023: EUR 1,129 k) belong to financial assets. As at prior year a loan to PUR Holding GmbH totalling EUR 1,041 k is shown at other non-current assets.

The financial assets have mainly short residual terms. Therefore, their carrying amounts as of the balance sheet date approximate to the fair value and also take into account the creditworthiness of the contractual partners. The default risk is taken into account through the formation of value adjustments.

18. GROUP EQUITY

On the balance sheet date POLYTEC Holding AG share capital amounted to EUR 22,330 k (2023: EUR 22,330 k) divided into 22,329,585 ordinary shares (2023: 22,329,585 ordinary shares) with a nominal value of EUR 1.00 each. The share capital is fully paid in.

The buyback of the 334,041 treasury shares held on the balance sheet date (equates to 1.5% of share capital) at an acquisition value of EUR 1,855 k and a market value on the reporting date of EUR 668 k (2023: EUR 1,171 k) took place in its entirety in accordance with the buyback program approved at the Annual General Meetings held on 16 May 2012 and 14 May 2014.

The treasury share portfolio remained unchanged in the 2024 financial year.

	Shares	Treasury shares	Shares in circulation
31.12.2023	22,329,585	-334,041	21,995,544
Change in treasury share portfolio	0	0	0
31.12.2024	22,329,585	-334,041	21,995,544

In accordance with a resolution from the 23rd Annual General Meeting held on 9 June 2023, until 8 December 2025 the Board of Directors is authorised to purchase treasury shares amounting to a maximum of 10% of share capital at a minimum price of EUR 1.00 and a maximum price that is 10% above the average, unweighted closing market price on the five days preceding purchase.

In addition, authorised capital was agreed with the passing of a resolution by the 22nd Annual General Meeting held on 1 July 2022. With the consent of the Supervisory Board, at the latest, three years after the entry of the authorised capital in the company register, i. e. up to 10 August 2025, the Board of Directors is empowered to increase share capital by a nominal amount of EUR 6,698,875.00 through the issue of new shares at a minimum price of EUR 1.00 each. The issue of the new shares may also take place subject to the preclusion of the subscription rights of shareholders when share capital is increased in exchange for contributions in kind from companies, operations, partoperations or shares in one or several enterprises.

The capital reserves derive from premiums in connection with capital increases and are therefore entirely committed.

NON-CONTROLLING INTERESTS

The following table shows summarised financial information regarding all non-controlling interests prior to intra-group eliminations. For reasons of materiality, it is presented on an aggregate basis for all non-controlling interests.

in EUR k	31.12.2024	31.12.2023
Non-current assets	62,435	88,195
Current assets	3,350	3,645
Non-current liabilities	0	0
Current liabilities	-15,125	-26,082
Net assets	50,660	65,758
Share of equity/voting rights without a controlling interest	5.0% and 5.5%	5.0% and 5.5%
Carrying amount of interests without controlling influence	2,756	3,590
Pro rata gain of interests without controlling influence	-449	9
Pro rata other result of interests without a controlling influence	0	0
Dividends on interests without a controlling interest	392	26
Cash flow from operating activities	-5,439	3,637
Cash flow from investing activities	22,140	679
Cash flow from financing activities	-10,605	-4,156

INFORMATION CONCERNING CAPITAL MANAGEMENT

POLYTEC GROUP's capital management strategy is aimed at safeguarding business operations, increasing goodwill, creating a solid capital basis to finance a profitable growth course and guaranteeing capital service and attractive dividend payments.

POLYTEC Holding AG is subject to the minimum capital requirements of Austrian corporation law. Statutory minimum capital requirements do not apply. Nonetheless, the group considers a solid equity base a key element in insolvency prevention.

The ratio between equity capital and total capital can be summarised as follow:

in EUR k	31.12.2024	31.12.2023
Total equity	211,742	220,512
Balance sheet total	507,488	533,025
Equity ratio	41.7%	41.4%

For the POLYTEC GROUP, the term capital management means the control of equity capital and net financial liabilities. The POLYTEC GROUP's net financial liabilities are centrally controlled. The objectives in this regard include securing long-term liquidity, the efficient use of debt financing and the adoption of appropriate measures for financial risk mitigation in tandem with the optimisation of both earnings and costs.

Apart from the equity ratio, the POLYTEC GROUP mainly employs the gearing and return on capital employed (ROCE) parameters for the supervision of its capital. The entire costs of the capital employed and the risks related to the different types of capital are monitored on a permanent basis.

The POLYTEC GROUP strives to maintain a sustainable equity ratio of more than 30%. A small deviation from this target equity ratio would only be acceptable temporarily in the case of strategically important M&A transactions.

Gearing is defined as the ratio of net financial liabilities (non-current and current financial liabilities less cash and cash equivalents and interest-bearing receivables) to equity capital. Appropriate control instruments consist primarily of the issuance and repayment of financial liabilities, as well as the consolidation of the equity base through the retention of earnings or the adjustment of dividend payments. The POLYTEC GROUP management regards a gearing ratio of below 1.00 as being lastingly solid.

Gearing developed as follows:

in EUR k	31.12.2024	31.12.2023
Financial liabilities ¹⁾	146,615	172,264
- Non-current interest-bearing contract assets	27,250	31,574
- Current interest-bearing contract assets ²⁾	10,999	10,524
- Other non-current interest-bearing receivables	0	1,041
- Cash and cash equivalents	66,013	49,610
Net financial liabilities (-)/assets (+)	-42,354	-79,515
/ Equity carrying amount	211,742	220,512
Gearing	0.20	0.36

¹⁾ Financial liabilities include non-current and current interest-bearing liabilities.

²⁾ The current interest-bearing contract assets mainly relate to amortization receivables.

ROCE is defined as the ratio between EBIT and the average capital employed. The capital employed includes the non-current operating assets (intangible and tangible assets, goodwill and other non-current receivables) less other non-current operating provisions and net working capital (non-interest-bearing current assets less non-interest-bearing current liabilities).

ROCE represents the most important calculation parameter for the vast majority of the POLYTEC GROUP's executive bonus plans. ROCE developed as follows:

in EUR k	2024	2023
Average capital employed	288,130	312,501
EBIT	3,853	-6,719
Return on capital employed (in %)	1.34	-2.15

The minimum ROCE target is in the double-digit percentage range, but in 2024 and 2023 this figure was not achieved.

The POLYTEC GROUP's dividend policy is oriented towards profitability, strategic growth perspectives and the group's capital requirements.

19. EARNINGS PER SHARE AND DIVIDENDS

Pursuant to IAS 33 (Earnings per Share), basic earnings per share result from the division of the net income for the period due to the shareholders (annual net profit of the group after income taxes and non-controlling interests) by the weighted average number of ordinary shares outstanding during the reporting period.

	Unit	2024	2023
Net income after income taxes and after non-controlling interests	EUR k	-6,452	-14,068
Equity	TEUR	211,742	220,512
Average number of ordinary shares issued	Shares	22,329,585	22,329,585
Average number of retained treasury shares	Shares	334,041	334,041
Average number of shares in circulation	Shares	21,995,544	21,995,544
Earnings per share	EUR/share	-0.29	-0.64
Carrying amount per share	EUR/share	9.63	10.03

The diluted earnings per share equate to the non-diluted earnings per share, as no financial instruments with a dilutive effect are currently in circulation.

At the 24th Annual General Meeting of POLYTEC Holding AG, held on the 21 June 2024, at the company's headquarters, it was resolved not to distribute a dividend for the 2023 financial year (2022: EUR 2.2 million).

In accordance with the provisions of the Austrian Stock Corporation Act, the separate financial statements of POLYTEC Holding AG prepared in accordance with the Austrian accounting regulations as at 31 December 2024 provide the basis for the payment of a dividend.

The Board of Directors of POLYTEC Holding AG will propose to the 25th Annual General Meeting, which is planned on 10 June 2025, that no dividend will be distributed for the 2024 financial year.

In principle, dividends are subject to the deduction of a capital gains tax of 27.5%. For individuals subject to unlimited tax liability, this means that their income tax is settled (final taxation). Corporations subject to unlimited corporate income tax liability, which hold at least 10% of share capital, are exempt from the capital gains tax. For individuals subject to limited tax liability, all relevant double taxation treaties must be taken into due account.

20. NON-CURRENT INTEREST-BEARING LIABILITIES

This item includes all interest-bearing liabilities with a residual term of more than one year and can be structured as follows:

in EUR k	31.12.2024	31.12.2023
Promissory note loans	999	11,996
thereof with a residual term >5 years	0	0
Bank loans	64,004	56,525
thereof with a residual term >5 years	5,458	7,183
thereof with collateral securities	5,817	6,894
Other interest-bearing liabilities	9,182	10,892
thereof with a residual term >5 years	0	0
Lease liabilities	17,079	9,214
thereof with a residual term >5 years	5,068	1,422
Non-current interest-bearing financial liabilities	91,265	88,626

The group's outstanding non-current and current interest-bearing liabilities to banks exist in the following currencies:

	2024		2023	
	Share %	Average nominal interest %	Share %	Average nominal interest %
EUR	100.00	3.76	100.00	4.51

The long-term interest-bearing promissory note loans and liabilities to banks show the following interest rates and repayment dates:

in EUR k	2026	2027	2028	2029	2030off	Total
fixed	9,553	240	240	240	4,020	14,293
variable	21,351	17,425	9,974	523	1,438	50,710
Total	30,904	17,665	10,214	763	5,458	65,003

21. PROVISIONS FOR EMPLOYEES

This position contains all non-current provisions for obligations to current and former employees:

in EUR k	31.12.2024	31.12.2023
Provisions for severance payments	3,634	3,529
Provisions for pensions	16,180	14,943
Provisions for long-service payments	1,740	1,586
Total	21,554	20,058

The anticipated payments for the obligations to employees in the 2025 financial year amount to EUR 1,816 k.

PROVISIONS FOR SEVERANCE PAYMENTS

The present value of the obligations for defined benefit plans developed over time as follows:

in EUR k	2024	2023
Present value of severance payments (DBO) as at 1.1.	3,529	3,338
Service costs	128	129
Interest expense	135	122
Severance payments	-271	-193
Actuarial gains and losses		
Due to demographic assumptions	43	-88
Due to financial assumptions	-18	-62
Due to experience-based adjustments	89	282
Present value of severance payments (DBO) as at 31.12.	3,634	3,529

With regard to the most important actuarial parameters and relevant accounting principles, please refer to Item D. 10. "Obligations to employees".

The severance costs for the 2024 financial year are divided between defined contributions and defined benefit plans, whereby the service costs included in personnel expenses are reported under the expenses for severance payments and pension provisions and the interest expense are reported in the financial result under interest components. The actuarial result comprises the gains and losses resulting from changes to the demographic, financial and experience-based assumptions.

The average duration of severance payment obligations amounts to five years (2023: six years).

in EUR k	2024	2023
Defined contribution plans		
Expense for defined contribution plans	393	351
Defined benefit plans		
Service costs	128	129
Interest expense	135	122
Expense for defined benefit plans	263	252
Expense for severance payments	656	603

Actuarial gains/losses recognised under other comprehensive income developed as follows (after taxes):

in EUR k	2024	2023
Actuarial gains (+)/losses (-) as at 1.1.	-753	-652
Actuarial gains (+)/losses (-) in the financial year	-87	-101
Actuarial gains (+)/losses (-) as at 31.12.	-840	-753

The interest rate and future salary increases represent the key actuarial parameters in determining the severance provision. As part of a sensitivity analysis, the effects of changes to these parameters on the amount of the severance provision are demonstrated, while all other parameters remain unchanged.

A change in the interest rate by 100 basis points would result in an increase in the severance provisions by EUR 203 k (2023: EUR 214 k), or a decrease by EUR 182 k (2023: EUR 191 k).

A change in the expected salary increases by 100 basis points would lead to an increase in the severance provision by EUR 200 k or a decrease by EUR 182 k. Due to the initial determination of the sensitivity of future salary increases as part of the 2024 consolidated financial statements, no comparison values are available.

PROVISIONS FOR PENSIONS

The present value of the obligations for defined benefit pension plans developed as follows:

in EUR k	2024	2023
Cash value of pension obligations (DBO) as at 1.1.	14,943	16,224
Service costs	342	384
Interest expense	569	541
Pension payments	-722	-729
Actuarial gains and losses		
Due to demographic assumptions	0	0
Due to financial assumptions	1,132	-943
Due to experience-based adjustments	-83	-535
Cash value of pension obligations (DBO) as at 31.12.	16,180	14,943

With regard to the most important actuarial parameters and relevant accounting principles, please refer to Item D. 10 "Obligations to employees".

The pension expenses for the 2024 financial year consist mainly of defined benefit pension plans, whereby service costs are disclosed in the personnel expenses under the item "Expenses for severance payments and pensions" and interest costs are recognised in the financial result under the item "Interest component defined benefit plans". The actuarial result comprises gains and losses resulting from the changes to demographic, financial and experience-based assumptions.

The average duration of pension obligations amounts to 13 years (2023: 13 years).

in EUR k	2024	2023
Service costs	342	384
Interest expense	569	541
Total	911	925

The actuarial gains/losses recognised under other comprehensive income developed as follows (after taxes):

in EUR k	2024	2023
Actuarial gains (+)/losses (-) as at 1.1.	284	-779
Actuarial gains (+)/losses (-) in the financial year	-754	1,063
Actuarial gains (+)/losses (-) as at 31.12.	-470	284

The interest rate and future pension increases represent the key actuarial parameters in determining the pension provision. As part of a sensitivity analysis, the effects of changes to these parameters on the amount of the pension provision are demonstrated, while all other parameters remain unchanged.

A change in interest rate by 100 basis points would result in an increase in the pension provision by EUR 2,368 k (2023: EUR 2,082 k), or a decrease by EUR 1,901 k (2023: EUR 1,685 k).

A change in the expected pension increase by 100 basis points would result in an increase in the pension provisions of EUR 1,862 k or a decrease of EUR 1,586 k. Due to the first-time determination of the sensitivity of the expected pension increase as part of the 2024 consolidated financial statements, no comparative values are available.

PROVISIONS FOR LONG-SERVICE PAYMENTS

The provision developed over time as follows:

in EUR k	2024	2023
Present value of the defined benefit obligation =	1,740	1,586
The provision for long-service payments		

In the 2024 financial year, the provision for long-service payments led to an expense of EUR 153 k (2023: EUR 53 k). In addition, long-service payments of EUR 115 k (2023: EUR 96 k) were paid out.

22. CURRENT INTEREST-BEARING LIABILITIES

in EUR k	31.12.2024	31.12.2023
Promissory note loans	11,066	38,281
Bank loans	34,053	37,122
thereof with collateral securities	1,077	1,238
Other interest-bearing liabilities	4,220	3,637
Lease liabilities	6,011	4,597
Interest-bearing current financial liabilities	55,351	83,638

23. LIABILITIES ON INCOME TAXES

The liabilities on income taxes consist largely of liabilities from corporate and trade income taxes (or comparable taxes) in different states, where group companies have their registered offices. Liabilities developed as follows:

in EUR k	2024	2023
As at 1.1.	622	1,553
Currency translation differences	1	-4
Use for tax payments	-352	-1,072
Release	-101	0
Addition in the financial year	348	145
As at 31.12.	517	622

24. TRADE ACCOUNTS PAYABLES

in EUR k	31.12.2024	31.12.2023
Trade accounts payables	63,389	63,734
Financial trade accounts payables	63,389	63,734

25. OTHER CURRENT LIABILITIES

in EUR k	31.12.2024	31.12.2023
Liabilities to employees	1,797	1,596
Provision for outstanding incoming invoices	6,185	5,612
Liabilities from supplier finance arrangements	11,289	8,714
Other liabilities	3,827	2,168
Other current financial liabilities	23,098	18,090
Accrual for unclaimed leave	5,036	5,632
Other tax liabilities	6,828	7,815
Social security liabilities	2,143	1,892
Deferred income	7,189	7,209
Accrual for other personnel expenses	4,040	3,938
Other non-current financial liabilities	25,237	26,486
Total	48,335	44,576

In 2023, the POLYTEC GROUP began financing the receivables of suppliers of individual group companies

from deliveries and services to the POLYTEC GROUP through supplier financing agreements. The scope of the group companies was expanded in 2024. Under these agreements, a financing partner assumes the debt-discharging payment of the liability to the supplier. The financing partner then grants the POLYTEC GROUP an extended payment term of 60 days. Due to the debt-discharging payment of the liability from deliveries and services by the financing partner to the supplier, a change occurs in the presentation in the consolidated balance sheet. The original trade accounts payable is now recorded as other short-term liabilities. In the cash flow statement, payments to the financing partner remain included in the cash flow from operating activities, as they are part of ordinary business operations—specifically, payments for the purchase of goods and services. As of the 31 December 2024, a total of EUR 11,289 k (2023: EUR 8,714 k) has been financed through supplier financing agreements.

The carrying amounts that are part of supplier financing agreements as of the reporting date are shown in the following table:

in EUR k	31.12.2024
Recognised under other current liabilities	11,289
of which suppliers have received as payment	11,289

The maturity ranges are as follows:

in EUR k	31.12.2024
Liabilities that are part of supplier finance arrangements	60 to 150 days
Comparable trade accounts payables that are not part of supplier finance arrangements	Immediately to 90 days

The fee expense for the utilization of supplier financing agreements amounted to EUR 488 k in 2024. The POLYTEC GROUP did not provide any collateral or guarantees in 2024.

In the reporting period, the relief provided by the amendments to supplier financing agreements (amendments to IAS 7 and IFRS 7), which stipulate that comparative periods do not need to be presented, has been applied for the first time.

26. CURRENT PROVISIONS

in EUR k	As at 1.1.2024	Currency translation	Use	Release	Allocation	As at 31.12.2024
Provision for impending losses and risks	276	-1	44	11	16	237
Guarantees and warranties	853	0	750	78	703	728
Other current provisions	6,949	29	5,853	279	10,726	11,572
	8,078	28	6,646	368	11,445	12,536

in EUR k	As at 1.1.2023	Currency translation	Use	Release	Allocation	As at 31.12.2023
Provision for impending losses and risks	1,768	-1	323	1,244	75	276
Guarantees and warranties	514	0	268	16	622	853
Other current provisions	11,233	-36	5,848	3,786	5,387	6,949
	13,515	-37	6,439	5,046	6,084	8,078

Amongst the other current provisions are provisions for customer claims totalling EUR 5,573 k (2023: EUR 4,062 k), customer bonuses EUR 4,242 (2023: EUR 1,098 k) and legal risks amounting to EUR 482 k (2023: EUR 117 k). With regard to the changes of provisions for legal risks please refer to D. 18. "Uncertainties with regard to assessments".

27. FINANCIAL LIABILITIES

In accordance with IFRS 9, financial liabilities comprise the non-current and current interest-bearing liabilities, trade accounts payables disclosed in the consolidated balance sheet, and other current financial liabilities.

Except for derivative financial contracts, financial liabilities are included in the "Financial liabilities measured at amortised cost" valuation category. The derivative financial instruments are classified as "financial liabilities measured at fair value through profit or loss".

With the exception of other current liabilities, which are assigned to the Level 3 valuation category, all financial liabilities and derivative financial contracts are allocated to Level 2.

The POLYTEC GROUP only determines the fair value for interest-bearing liabilities for disclosures in the notes to the consolidated financial statements. Fair value is established using recognised measurement methods based on the discounted cash flow method. The main input factor is the discount rate, which takes available market data (risk free interest rates) into account. In the case of financial liabilities, the creditworthiness of the POLYTEC GROUP is considered. On the balance sheet date, the Level 2 non-current financial liabilities showed a fair value of EUR 88,764 k (2023: EUR 84,536 k), as compared to a carrying amount of EUR 91,265 k (2023: EUR 88,626 k). On 31 December 2024, the current interest-bearing financial liabilities showed a fair value of EUR 58,086 k (2023: EUR 79,821 k), as opposed to a carrying amount of EUR 55,351 k (2023: EUR 83,638 k).

Reference should be made to the risk report with regard to the determination of the fair value of derivatives.

F. CASH FLOW STATEMENT

NON-CASH BUSINESS TRANSACTIONS

During the past financial year, the POLYTEC GROUP did not have any non-cash investment and financing activities that are not reflected in the cash flow statement. Investments in fixed assets are presented in the cash flow statement, reduced by the non-cash effects from IFRS 16 additions.

OTHER NON-CASH EXPENSES AND INCOME

The non-cash expenses and income consist largely of currency translation differences, non-cash interest payments and the write-off of receivables.

CHANGES IN INTEREST-BEARING FINANCIAL LIABILITIES

The interest-bearing financial liabilities (current and non-current) changed as follows in the financial year:

in EUR k	2024	2023
As at 1.1.	172,264	175,516
Cash-effective changes	-40,887	-15,444
Other non-cash-effective changes	15,210	4,901
Currency translation differences	28	7,291
As at 31.12.	146,615	172,264

The interest-bearing financial liabilities consist of non-current interest-bearing liabilities amounting to EUR 91,306 k (2023: EUR 88,626 k) and current interest-bearing liabilities amounting to EUR 55,358 k (2023: EUR 83,638 k).

Lease liabilities (current and non-current) changed as follows in the financial year:

in EUR k	2024	2023
As at 1.1.	13,811	14,500
Lease payments	-8,382	-8,868
Conclusion of new lease agreements	15,210	3,704
Disposal of expired lease agreements	-131	0
Currency translation differences	2,582	4,475
As at 31.12.	23,090	13,811

G. OTHER INFORMATION

1. EVENTS AFTER THE BALANCE SHEET DATE

Events occurring after the balance sheet date which are of significance for the evaluation on the balance sheet date such as outstanding legal cases or claims for compensation and other obligations or impending losses, which would have to be reported or disclosed in accordance with IAS 10.19, are accounted for in these consolidated financial statements and reported under the respective item.

Likewise, events that need not be taken into account are to be shown if they are of particular importance.

2. RISK REPORTING

In the course of its business operations, the POLYTEC GROUP is subject to numerous risks, which are indelibly linked to its entrepreneurial activities. Therefore, for the POLYTEC GROUP risk management is an integral element in its strategy and all business processes. The comprehensive certifications required by an automotive industry supplier (e. g. IATF 16949:2016 and ISO14001: 2015) already specify appropriate regulations, which are also monitored via external audits. In line with the organisational structure of the POLYTEC GROUP, risks are locally managed and monitored close to the market, especially in the course of ongoing business processes. However, group headquarters provides central financial risk management. The following major risk areas can be identified:

SPECIFIC COMPANY RISKS

a. (Sales-) market risk

General sales market risk: The general conditions to which the automotive industry is subject are currently undergoing a fundamental change. Moreover, owing to the repressive constraints upon the combustion engine and the furtherance of e-mobility, which represent the direct driving forces behind this upheaval, as well as the indirect effects of autonomous driving and new mobility concepts, the coming years are also set to be most challenging. The task is therefore to adjust to this altered situation and establish a clear position in the new market environment by means of innovation and a targeted sales strategy. To date, the automotive supply industry was already seen as highly competitive and characterised by consolidation and restructuring amongst its competing players. This trend will now intensify and the POLYTEC GROUP must exploit the resultant opportunities derived from market consolidation. The general sales risk will continue to increase due to the

transformation towards climate-friendly products and the presence of POLYTEC GROUP in this market, as a short-term recovery of the currently overall declining automotive markets is not expected.

In addition, current economic and political risks are far more acute than in recent years. The internationalization of markets, as well as supply chains, not only offers great opportunities but also entails higher risks, as was once again illustrated by the outbreak of the coronavirus and the rapidly changing political situation. Current international trade conflicts are leading to declines in demand and increasing the complexity of global supply relationships. There is a risk that these uncertainties could continue to negatively impact the automotive industry in the coming years.

Volume risk: The continued volatility of demand and the unplanned development of production volumes also negatively impacted the financial and earnings position during the reporting year; in particular, the call-offs in the area of e-mobility were significantly below the forecasted quantities. The unplanned call-off of quantities can result in two types of problem, one of which is formed by capacity bottlenecks, which may lead to delayed deliveries and hence reputational damage. Conversely, the lack of call-offs can cause capacity utilisation difficulties and a subsequent fixed cost deficit. The POLYTEC GROUP strives to minimize its dependence on individual supplier relationships by maintaining a balanced mix of customers and orders.

Due to the current market volatility and the low customer acceptance of electric vehicles, there are increasingly frequent significant reductions and increases in production volumes during series production. The unpredictability of delivery call-offs remains at a consistently high level. For the POLYTEC GROUP, high flexibility in the plants and consistent monitoring of the call-off situation and the development of the models are therefore essential. Material changes must evoke both a cost-related reaction, but also with justified claims for increased costs, particularly with regard to the falling short of agreed planned quantities.

b. Procurement market risk

One substantial risk is represented by the fluctuations in raw material prices, which in the case of a plasticsprocessor like the POLYTEC GROUP are due mainly to longterm oil price shifts, but can also be caused by changes in refinery capacity. This risk is countered by means of sliding material price clauses in the disclosed calculations, in as far as these are acceptable to the customer. To a certain extent, negotiations involving raw materials and purchased parts take place directly between the POLYTEC GROUP's customers and the suppliers. Where prices are only agreed

with the customer on an annual basis, changes in raw material prices are an important parameter for the annual price renegotiations. Furthermore, efforts are being made to reintegrate previously non-recyclable waste into production through intensified research and development activities.

Another medium- to long-term risk arises from the price increase due to the decreasing availability of non-renewable raw materials and a potentially insufficient availability of recyclates. Furthermore, there is a risk that materials such as SMC, GMT, or LFT may no longer be usable in the future, as they are difficult to recycle and may no longer meet the high sustainability requirements of customers.

NON-FINANCIAL RISKS AND THEIR MANAGEMENT

Climate risks: Companies are facing the challenge of improving both their energy and resource efficiency while also limiting their energy consumption due to the increasing global threats posed by climate change and other environmental impacts. These requirements are becoming increasingly significant, particularly in the automotive supply industry.

The European Commission is addressing this challenge through the European Green Deal, which includes a wide range of measures in areas such as financial market regulation, energy supply, transport, trade, industry, and agriculture and forestry. The goal is to significantly reduce the CO₂ emissions of the European Union.

To comprehensively identify the various climate risks and assess their potential impact on the company, POLYTEC GROUP adopts a holistic risk assessment approach. This includes the systematic analysis of both physical risks (e.g., extreme weather events, rising temperatures) and transition risks (e.g., regulatory requirements, market changes, technological developments).

The analysis is based on two key instruments. The first-time implementation of the double materiality analysis assessed both the financial impacts of climate change on the company and the company's own impact on climate change. Various types of risks were considered, ranging from acute physical climate risks to those arising from market changes, regulatory developments, and technological advancements. The results show that the transition to electromobility presents a significant risk, as it leads to a sharp decline in sales of products for combustion engines. This risk stems from political and regulatory developments, changing user behavior, and increasingly stringent customer requirements.

The second pillar of the risk analysis is the climate risk and vulnerability assessment. This is based on scientifically grounded climate scenarios from the IPCC (RCP 2.6, 4.5, and 8.5) and evaluates location-specific factors such as geographical position, climatic conditions, and infrastructural vulnerability. The objective of the analysis was to accurately assess both chronic (e.g., persistent temperature increase) and acute climate-related hazards (e.g., heavy rainfall, flooding, heatwaves) and to derive appropriate countermeasures. The results indicate that heatwaves and temperature fluctuations pose significant economic risks, as they can lead to rising energy costs, increased maintenance efforts for production facilities, and productivity losses.

POLYTEC GROUP addresses the identified risks with targeted measures to minimize them and seize new market opportunities. The company is adapting its product portfolio to meet the growing demand for electromobility, having already leveraged new market opportunities and initiated development projects. At the same time, it is increasing investments in renewable energy to reduce energy costs and cut CO₂ emissions. Additionally, POLYTEC GROUP is modernizing its production facilities and implementing resource-efficient manufacturing processes. To mitigate extreme weather risks, location-specific protective measures are being put in place.

The financial assumptions of POLYTEC GROUP reflect the identified climate risks and their potential impact on business development. Possible cost increases due to CO₂ regulations, volatile energy prices, and necessary investments in sustainable technologies are systematically integrated into medium-term planning. At the same time, regulatory developments and market trends are continuously monitored to flexibly adjust the strategic direction and ensure sustainable value creation.

At the same time, additional costs arising from investments in climate-friendly technologies as well as increases in energy prices pose an economic risk for POLYTEC GROUP. These risks are being systematically addressed, as described under point b. Procurement Market Risk.

The regular review of climate risks and opportunities through the double materiality analysis as well as the climate risk and vulnerability assessment ensures that POLYTEC GROUP remains resilient to climate-related challenges in the long term. At the same time, this approach enables the company to actively seize economic opportunities in an increasingly climate-neutral economy.

FINANCIAL RISKS, THEIR MANAGEMENT AND SENSITIVITY

Credit risk: Owing to its customer structure with roughly 90% of total sales revenues being generated with OEMs or major systems suppliers, the POLYTEC GROUP is subject to the automotive industry credit risk. However, outstanding accounts are monitored meticulously on a permanent basis and the payment of accounts receivable as agreed is secured. In the 2024 financial year, approximately 59% (2023: 67%) of sales were obtained from the two largest customer groups. This results in a certain accumulated credit risk, which however has been assessed by the management as being uncritical with regard to potential non-payments. Dependency upon only a few customers is a basic characteristic of the automotive sub-supplier industry. Within this context, the customer is defined as a group of affiliated companies, which can also produce several automotive marques.

The risk of non-payment with regard to cash and cash equivalents is deemed as low.

Despite a credit risk generally classified as limited, the maximum theoretical risk of non-payment corresponds to the carrying amounts of the individual financial assets. The bulk of the trade accounts receivable are covered by credit insurance, which means that in the case of a default, POLYTEC would only be subject to a deductible loss of 10%. As at the reporting date, a credit insurance agreement was in place which insured trade accounts receivable of EUR 39,631 k (2023: EUR 39,014 k). Therefore, the theoretical risk of non-payment amounts to EUR 215,262 k (2023: EUR 219,636 k). The theoretical default risk is calculated from the carrying amounts of trade accounts receivable, contractual assets from contracts with customers, other current receivables and cash and cash equivalents reported as at the reporting date.

The analysis of the gross carrying values of trade accounts receivable, contractual assets, non-current interest-bearing and other financial receivables as at 31 December 2024 can be presented as follows:

31.12.2024	Overdue in days					
in EUR k	Gross amount	Impairment provisions	Up to 60	60 to 120	120 to 360	Over 360
Non-current interest-bearing receivables	0	0	0	0	0	0
Trade accounts receivables	58,903	-4,604	14,743	550	1,962	2,438
Contract assets from contracts with customers	89,140	-2,986	0	0	0	0
Other financial receivables	8,795	0	0	0	0	0

31.12.2023	Overdue in days					
in EUR k	Gross amount	Impairment provisions	Up to 60	60 to 120	120 to 360	Over 360
Non-current interest-bearing receivables	1,041	0	0	0	0	0
Trade accounts receivables	53,830	-1,664	21,628	1,300	4,198	4,361
Contract assets from contracts with customers	104,577	-2,496	0	0	0	0
Other financial receivables	15,781	0	0	0	0	0

The impairment include individual valuation adjustments and price differences. There are no significant risk concentrations resulting from the investment of financial assets in only one business partner.

Liquidity risk: Liquidity risk refers to the risk of being unable to meet due liabilities on time. The group hedges its liquidity needs by means of the maintenance of a cash reserve and the premature refinancing of mature financial liabilities. In the 2023 financial year, acquisition financing of EUR 35,000 k was concluded as part of the refinancing, which was increased to EUR 60,000 k in January 2024. The repayment of the financing occurs semi-annually in eight equal installments. As of the 31 December 2024, the carrying amount results to EUR 52,500 k (2023: EUR 35,000 k). The agreed interest rate for the investment financing is variable, based on the 6-month EURIBOR. An equity covenant and a net debt covenant were established for the investment financing, with an initial review

scheduled for the 31 December 2024. In the event of non-compliance with the covenants, there is an obligation for early repayment to the financing partners. As of the 31 December 2024, the covenant was met.

In 2023, the POLYTEC GROUP also initiated supplier financing agreements aimed at enabling efficient payment processing for supplier invoices. These agreements are applied to the entire supplier portfolio in selected corporate entities. In addition to extending payment terms, supplier financing agreements also contribute to better forecasting of cash outflows.

The liabilities covered by supplier financing agreements are paid upon their due date. The associated cash outflows are taken into account in liquidity planning. Supplier financing programs lead to a concentration of risk by replacing a multitude of suppliers with a financial partner. If this financial partner were to terminate the program, an additional liquidity risk would fundamentally arise.

Any liquidity risk is actively managed by Group headquarters. Management has access to a treasury management system in which all incoming and outgoing payments from the POLYTEC companies are visible. In addition, updated cash plans are prepared every month to ensure that liabilities are paid on time.

The consolidated cash flow statement from operating activities of EUR 68,304 k (see consolidated cash flow statement for the 2024 financial year) and internal positive cash planning justify the Group's stable liquidity situation.

On the basis of the agreements concluded, the group's financial liabilities (excluding derivatives) show the following expected cash flows (including interest payments made at the interest rate on the balance sheet date):

in EUR k	Carrying amount as at 31.12.2024	Total contractual cash flows	thereof within 1 year	thereof over 1 but less than 5 years	thereof more than 5 years
Promissory note loans	12,066	12,630	11,466	1,164	0
Bank loans and other interest-bearing liabilities	111,459	120,418	42,462	71,889	6,067
Lease liabilities	23,090	23,667	6,161	12,311	5,195
Trade accounts payables	63,389	63,389	63,389	0	0
Other financial liabilities	23,098	23,098	23,098	0	0
Total	233,102	243,202	146,576	85,364	11,262

in EUR k	Carrying amount as at 31.12.2023	Total contractual cash flows	thereof within 1 year	thereof over 1 but less than 5 years	thereof more than 5 years
Promissory note loans	50,277	51,519	38,287	13,232	0
Bank loans and other interest-bearing liabilities	108,177	114,438	40,594	66,635	7,209
Lease liabilities	13,811	14,018	4,666	7,909	1,443
Trade accounts payables	63,734	63,734	63,734	0	0
Other financial liabilities	18,090	18,090	18,090	0	0
Total	254,088	261,799	165,371	87,776	8,652

Bank borrowings on current accounts EUR 10,000 k (2023: EUR 12,334 k) will continue to be made available to the group until further notice and are therefore adjudged to be current. However, a short-term call-in on the part of the lender banks is not to be expected.

In the 2024 financial year, the POLYTEC GROUP has off-balance sheet purchase obligations in connection with the supply of raw materials, particularly for electricity and gas, amounting to approximately EUR 21.0 million for the next three years.

Foreign exchange risk: The vast majority of POLYTEC GROUP sales revenues are invoiced in euros and consequently the foreign exchange risk only affects the group to a limited degree. Moreover, the purchase of preliminary work takes place partially in the same currency as sales, which results in natural hedging. The group is subject to higher foreign exchange risks in those countries in which invoices are written in euros, but preliminary work must be

purchased in local currency. For example, such risks apply to the Czech Crown, the Hungarian Forint and the South African Rand. In many cases, these risks cannot be transferred to financial instruments, as they are mainly attributable to personnel costs. Owing to the expansion of production activities in the UK and the volatility of the British pound since the Brexit vote, the POLYTEC GROUP is subject to an increased currency risk in this connection. If required it counters this risk through hedging transactions although primarily natural hedge positions were used.

The financial instruments and financial liabilities reported on the balance sheet date show the following distribution with regard to their currency of origin:

in EUR k	31.12.2024		
	in euros	in foreign currency	Total
Trade accounts receivables	35,769	18,530	54,299
Contract assets from contracts with customers	84,041	2,114	86,155
Other receivables (excluding prepaid expenses and accrued income)	16,329	3,228	19,556
Non-current interest-bearing receivables	0	0	0
Cash and cash equivalents	57,254	8,759	66,013
Total	193,393	32,630	226,023

in EUR k	31.12.2024		
	in euros	in foreign currency	Total
Non-current interest-bearing liabilities	88,230	3,034	91,265
Current interest-bearing liabilities	54,485	866	55,351
Trade accounts payables	50,094	13,295	63,389
Other current liabilities	18,163	4,935	23,098
Total	210,972	22,130	233,102

in EUR k	31.12.2023		
	in euros	in foreign currency	Total
Trade accounts receivables	33,604	18,561	52,165
Contract assets from contracts with customers	94,997	7,083	102,080
Other receivables (excluding prepaid expenses and accrued income)	20,201	4,243	24,444
Non-current interest-bearing receivables	1,041	0	1,041
Cash and cash equivalents	39,322	10,288	49,610
Total	189,165	40,175	229,340

in EUR k	31.12.2023		
	in euros	in foreign currency	Total
Non-current interest-bearing liabilities	85,062	3,564	88,626
Current interest-bearing liabilities	82,839	799	83,638
Trade accounts payables	55,225	8,509	63,734
Other current liabilities	7,163	2,213	9,376
Total	230,289	15,085	245,374

The distribution shows that the risk to which the group is subject owing to exchange rate fluctuations is low, as both financial assets held in foreign currency totalling 14.44% (2023: 17.52%) and the corresponding liabilities totalling 9.49% (2023: 6.15%) account for only a minor part of the total volume. Furthermore, a currency fluctuation would equally affect both assets and liabilities and therefore display compensatory effects.

The sensitivity analysis provides an approximate quantification of the currency risks regarding receivables from and liabilities to third parties. The risks occur particularly with the British Pound Sterling (GBP), Chinese Renminbi Yuan (CNY), Czech Crown (CZK), Hungarian Forint (HUF), South African Rand (ZAR) and US-Dollar (USD). Translation differences from converting the financial statements of foreign Group companies into the Group currency are disregarded.

The impacts on earnings before tax and equity after taxes are as follows:

31.12.2024	Earnings before tax		Equity after taxes	
in EUR k	Re-valuation of the EUR by 10%	De-valuation of the EUR by 10%	Re-valuation of the EUR by 10%	De-valuation of the EUR by 10%
GBP	574	-574	431	-431
CNY	2	-2	1	-1
CZK	298	-298	235	-235
HUF	19	-19	18	-18
ZAR	416	-416	353	-353

31.12.2023	Earnings before tax		Equity after taxes	
in EUR k	Re-valuation of the EUR by 10%	De-valuation of the EUR by 10%	Re-valuation of the EUR by 10%	De-valuation of the EUR by 10%
GBP	629	-629	472	-472
USD	2	-2	2	-2
CZK	298	-298	241	-241
HUF	529	-529	482	-482
ZAR	387	-387	329	-329

From April to December of the 2024 fiscal year, an FX forward was used to hedge a foreign currency receivable in Czech koruna (CZK). The nominal amount was CZK 90,000 k. As of the 31 December 2024, no derivatives were outstanding, as was the case in the previous year.

Interest rate change risk: The POLYTEC GROUP counteracts the interest rate change risk by means of a portfolio of variable and fixed forms of financing that corresponds with the long-term interest rate projection, whereby long-term financing activities are predominantly subject to variable interest rates. In the 2024 and 2023 financial years, no derivative products were used to hedge interest rates.

Interest-bearing liabilities show the following structure on the balance sheet date:

in EUR k	31.12.2024	31.12.2023
Promissory note loans	12,066	50,277
thereof with fixed interest	0	2,277
thereof with variable interest	12,066	48,000
Bank loans	98,057	93,647
thereof with fixed interest	15,334	17,099
thereof with variable interest	82,723	76,548
Lease liabilities	23,090	13,811
thereof with fixed interest	23,090	13,811
thereof with variable interest	0	0
Other interest-bearing liabilities	13,402	14,529
thereof with fixed interest	13,402	14,529
thereof with variable interest	0	0
Total	146,615	172,264
thereof with fixed interest	51,826	47,716
thereof with variable interest	94,789	124,548

The vast majority of the variable-interest liabilities (EUR 64,500 k; 2023: EUR 83,000 k) are dependent upon the 6-month EURIBOR. An increase/reduction of the reference interest rate by 100 basis points would mean an increase/reduction in the result before taxes of around EUR 949 k (2023: EUR 1,217 k).

Other risks: The Board of Directors is unaware of any other material risks and obligations that have not been appropriately mentioned in these consolidated financial statements or the notes.

3. RELATED PARTIES AND COMPANIES

As at the 31 December 2024 balance sheet date, on the basis of the shares issued, the shareholder structure was as follows:

MH Beteiligungs GmbH: 25.61%
 Huemer Invest GmbH: 3.79%
 LLB Invest Kapitalanlagegesellschaft m.b.H.: 4.59%
 Treasury shares: 1.50%
 Remaining free float: 64.51%

Apart from the members of the Board of Directors and the Supervisory Board, related parties pursuant to IAS 24 primarily include the Huemer Group. During the 2024 financial year corresponding business activities involved Huemer Invest GmbH, HI Solar GmbH, Huemer Immobilien GmbH, IMC Verwaltungsgesellschaft mbH, POLYTEC

Immobilien GmbH and Globe-Air AG, all of which are based in Hörsching.

in EUR k	Huemer Group	
	31.12.2024	31.12.2023
Real estate right-of-use	8,744	0
Receivables	6	4
Lease liabilities	8,744	0
Rental income	29	140
Other operating income	112	113
Depreciation of real estate right-of-use	729	0
Other operating expenses	103	66
Interest derived from real estate right-of-use	171	0

As in the previous year, there are no allowances for or unrecoverable debts in connection with transactions with related parties, nor were any expenses for doubtful or uncollectible receivables recognised in 2024 or the previous year. Guarantees were neither granted nor received.

As part of the refinancing of significant promissory note loans of POLYTEC Holding AG in the 2023 fiscal year, Huemer Invest GmbH, a company affiliated with the Chairman of the Supervisory Board, Friedrich Huemer, committed to the Raiffeisenlandesbank Oberösterreich to acquire the assets of POLYTEC Immobilien GmbH, which primarily consist of the plant and property in Hörsching. The completion of the purchase and assignment agreement for the indirect acquisition of shares in POLYTEC Immobilien GmbH through the acquisition of shares in PH Immobilien GmbH by Huemer Immobilien GmbH took place on the 15 April 2024. The properties were valued at EUR 21 million in the sale price. The property transaction resulted in a deconsolidation effect of EUR - 723 k.

Since the aforementioned sale of the Hörsching site to Huemer Immobilien GmbH, it has been leased by POLYTEC Holding AG from a related company. Lease expenses amounted to EUR 936 k from the date of sale. Rental income from the lease of office space to Huemer Invest GmbH totaled EUR 26 k up to the date of sale.

On the 15 October 2021, POLYTEC CAR STYLING Hörsching GmbH entered into a lease agreement for a photovoltaic system with HI Solar GmbH. With an amendment on the 29 May 2024, the leased photovoltaic system was expanded. The resulting lease expense in the 2024 fiscal year amounts to EUR 73 k (2023: EUR 36 k). The expense is reported above under "other expenses".

The loan to PUR Holding GmbH, which was still outstanding as of the 31 December 2023, following the sale of the Industrial business unit, amounted to EUR 1,041 k and was fully repaid by the 31 December 2024.

4. KEY MANAGEMENT

Total remuneration of the members of the Board of Directors in the 2024 financial year amounts to EUR 1,645 k (2023: EUR 1,633 k) and as in the previous year was entirely attributable to short-term benefits. The variable component totalled EUR 275 k (2023: EUR 246 k) and as was the case in the preceding year, during the 2024 financial year no payments were made after the termination of the working relationship.

As yet unpaid variable salary components affecting the 2024 business year are reported in the "Other current liabilities".

There are no stock option plans or similar share-based remunerations pursuant to IFRS 2. Total expenses for the emoluments to Supervisory Board members in the financial year amounted to EUR 169 k (2023: EUR 169 k).

There are no loans or advance payments relating to current or former members of company bodies. One former member of the Board of Directors receives remuneration totalling EUR 272 k (2023: EUR 187 k) in the 2024 financial year. No other former members of the company's Board of Directors receive remuneration from the group or any of its affiliated companies.

5. POLYTEC HOLDING AG GOVERNING BODIES

During the year under review and at the time of the preparation of the consolidated financial statements, the **members of the Board of Directors** were as follows:

Markus Huemer, Wallern
(Chairman of the Board of Directors)

Peter Bernscher, Linz
(Deputy Chairman of the Board of Directors)

Markus Mühlböck, Zaisenhausen, Germany

Martin Resch, Vechta
(Member of the Board of Directors since 1 January 2025)

During the year under review and at the time of the preparation of the consolidated financial statements, the **members of the Supervisory Board** were as follows:

Friedrich Huemer, Wallern (Chairman)

Fred Duswald, Thalheim (Deputy Chairman)

Manfred Helmut Trauth, Knittelsheim, Germany

Viktoria Kickinger, Vienna

Reinhard Schwendtbauer, Leonding (until 16 December 2024)

6. GROUP COMPANIES

				2024		2023	
Company	Company address	Country	Shareholder	Direct and indirect holding %	Type of consolidation ⁹⁾	Direct and indirect holding %	Type of consolidation ⁹⁾
POLYTEC Anlagenfinanzierung GmbH	Hörsching	AUT	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC CAR STYLING Hörsching GmbH	Hörsching	AUT	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC CAR STYLING UK Ltd.	Bromyard	GBR	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC FOHA Inc.	Warren	USA	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC CAR STYLING Schoten N.V.	Schoten	BEL	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC CAR STYLING Weierbach GmbH	Idar-Oberstein	GER	POLYTEC Holding AG	100.0	KV	100.0	KV
Polytec Netherlands Holding B.V.	Roosendaal	NED	POLYTEC Holding AG	100.0	KV	100.0	KV
Polytec Composites NL B.V.	Roosendaal	NED	Polytec Netherlands Holding B.V.	100.0	KV	100.0	KV
Polytec Plastics NL B.V.	Putte	NED	Polytec Netherlands Holding B.V.	100.0	KV	100.0	KV
POLYTEC Hungary Kft.	Komló	HUN	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC Komló Kft.	Komló	HUN	POLYTEC Hungary Kft.	100.0	KV	100.0	KV
POLYTEC Germany GmbH	Lohne	GER	POLYTEC Holding AG	100.0	KV	100.0	KV
PT Composites GmbH	Gochsheim	GER	POLYTEC Germany GmbH	100.0	KV	100.0	KV
Polytec Holding Deutschland GmbH	Lohne	GER	POLYTEC Germany GmbH	100.0	KV	100.0	KV
Polytec Deutschland Verwaltungs GmbH	Lohne	GER	Polytec Holding Deutschland GmbH	100.0	KO	100.0	KO
Polytec Plastics Germany GmbH & Co KG ²⁾	Lohne	GER	Polytec Holding Deutschland GmbH	100.0	KV	100.0	KV
POLYTEC PLASTICS Ebensee GmbH	Ebensee	AUT	POLYTEC Holding AG	100.0	KV	100.0	KV
Polytec Interior Zaragoza S.L. i.L.	Zaragoza	ESP	POLYTEC Holding AG	100.0	KO	100.0	KO
POLYTEC AUTO PARTS (Tianjin) Co. Ltd.	Tianjin	CHN	POLYTEC Holding AG	100.0	KV	100.0	KV
PT Beteiligungs GmbH	Hörsching	AUT	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC Composites Beteiligungs GmbH	Gochsheim	GER	PT Composites GmbH	100.0	KV	100.0	KV
POLYTEC Composites Verwaltungs GmbH	Gochsheim	GER	PT Beteiligungs GmbH	100.0	KO	100.0	KO
POLYTEC Composites Germany GmbH & Co KG ²⁾	Gochsheim	GER	POLYTEC Composites Beteiligungs GmbH	100.0	KV	100.0	KV
POLYTEC Compounds GmbH & Co KG ²⁾	Gochsheim	GER	POLYTEC Composites Beteiligungs GmbH	100.0	KV	100.0	KV
POLYTEC Compounds Verwaltungs GmbH	Gochsheim	GER	POLYTEC Composites Beteiligungs GmbH	100.0	KO	100.0	KO
POLYTEC Composites Slovakia s.r.o.	Sladkovicovo	SVK	PT Beteiligungs GmbH	100.0	KV	100.0	KV
Polytec Plastik Ürünleri Sanayi ve Ticaret A.Ş.	Aksaray	TUR	PT Beteiligungs GmbH	100.0	KV	100.0	KV
Polytec Composites Bohemia s.r.o.	Chodova Plana	CZE	PT Beteiligungs GmbH	100.0	KV	100.0	KV

				2024		2023	
Company	Company address	Country	Shareholder	Direct and indirect holding %	Type of consolidation ¹⁾	Direct and indirect holding %	Type of consolidation ¹⁾
POLYTEC Composites Weiden GmbH	Weiden	GER	POLYTEC Composites Beteiligungs GmbH	100.0	KV	100.0	KV
POLYTEC Engineering GmbH	Lohne	GER	POLYTEC Holding AG	100.0	KV	100.0	KV
Newplastics S.A.	Lissabon	POR	POLYTEC Composites Germany GmbH & Co KG	2.0	KB	2.0	KB
POLYTEC Industrielackierung Weiden GmbH	Waldnaab	GER	POLYTEC Composites Beteiligungs GmbH	100.0	KV	100.0	KV
POLYTEC COMPOSITES South Africa (Pty) Ltd.	East London	RSA	PT Beteiligungs GmbH	100.0	KV	100.0	KV
POLYTEC Immobilien Holding GmbH	Hörsching	AUT	POLYTEC Holding AG	100.0	KV	100.0	KV
POLYTEC Immobilien GmbH	Hörsching	AUT	POLYTEC Immobilien Holding GmbH			94.5	KV
POLYTEC Composites Immobilien GmbH	Kraichtal	GER	POLYTEC Immobilien Holding GmbH	94.5	KV	94.5	KV
PPI Immobilien GmbH	Ebensee	AUT	POLYTEC Immobilien Holding GmbH	95.0	KV	95.0	KV
POLYTEC Immobilien Deutschland GmbH	Lohne	GER	POLYTEC Immobilien Holding GmbH	94.5	KV	94.5	KV
POLYTEC Real Estate Gayrimenkul Ltd. Sirteki	Aksaray	TUR	POLYTEC Immobilien Holding GmbH	100.0	KV	100.0	KV
POLYTEC Estates Slovakia s.r.o.	Sladkovicovo	SVK	POLYTEC Immobilien Holding GmbH	100.0	KV	100.0	KV
POLYTEC ESTATES BELGIUM N.V.	Schoten	BEL	POLYTEC Immobilien Holding GmbH	100.0	KV	100.0	KV
SPELAG s.r.o.	Chodova Plana	CZE	POLYTEC Immobilien Holding GmbH	100.0	KO	100.0	KO
POLYTEC ESTATES Bohemia k.s.	Chodova Plana	CZE	POLYTEC Immobilien Holding GmbH	100.0	KV	100.0	KV
POLYTEC ESTATES UK Limited	Bromyard	GBR	POLYTEC Holding AG	100.0	KV	100.0	KV
PH Immobilien GmbH	Hörsching	AUT	POLYTEC Holding AG			100.0	KO

¹⁾ KV = fully consolidated companies.

KO = companies excluded due to lack of materiality.

KB = other investments

²⁾ The companies are exempt from the obligation to prepare, audit and publish annual financial statements and a management report in accordance with the provisions applicable to corporations pursuant to § 264 b of the German Commercial Code (HGB).

Hörsching, 1 April 2025

The Board of Directors of POLYTEC Holding AG

Markus Huemer
Chairman of the Board of Directors –
CEO

Peter Bernscher
Deputy Chairman of the Board of
Directors – CCO

Martin Resch
Member of the Board of Directors –
COO

Markus Mühlböck
Member of the Board of Directors –
CFO

DECLARATION OF ALL LEGAL REPRESENTATIVES

PURSUANT TO §124 (1) 3 OF THE 2018
AUSTRIAN STOCK EXCHANGE ACT

We confirm that, to the best of our knowledge, the consolidated financial statements prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, financial and earnings position of the group, that the group management report gives a true and fair view of the business performance, result and position of the group, with the consequence that a true and fair view of the assets, financial position and earnings of the group is created, and moreover that the management report provides a description of the principal risks and uncertainties that the group faces.

We confirm that, to the best of our knowledge, the financial statements of the parent company prepared in accordance with the applicable accounting standards, give a true and fair view of its assets, financial and earnings position, that the management report gives a true and fair view of the company's business performance, result and position, with the consequence that a true and fair view of the assets, financial position and earnings of the company is created, and moreover that the management report provides a description of the principal risks and uncertainties that the company faces.

Hörsching, 1 April 2025

The Board of Directors of POLYTEC Holding AG

Markus Huemer

Chairman of the Board of Directors – CEO

Responsibilities: Corporate strategy, investment management, legal affairs, IT, corporate communications, sustainability

Peter Bernscher

Deputy Chairman of the Board – CCO

Responsibilities: Sales, engineering, marketing, purchasing, human resources

Martin Resch

Member of the Board of Directors – COO

Responsibilities: Operations, program management, operations services

Markus Mühlböck

Member of the Board of Directors – CFO

Responsibilities: Finance, controlling, treasury, accounting, investor relations

AUDIT CERTIFICATE

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OPINION

We have examined the consolidated financial statements of

POLYTEC Holding AG,
Hörsching,

and its subsidiaries (the group), which consist of the consolidated balance sheet, the consolidated income statement and consolidated statement of comprehensive income as at 31 December 2024, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year ended on this reporting date, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the mandatory regulations and give a true and fair view of the consolidated assets and financial position of the group as at 31 December 2024, as well as its earnings position and consolidated cash flows for the year ended on this reporting date in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code).

BASIS FOR THE AUDIT OPINION

We conducted our audit in accordance with the EU Regulation No. 537/2014 (subsequently referred to as the EU regulation) and with Austrian auditing standards. These standards require the audit to be conducted in accordance with the International Standards on Auditing (ISA). Our responsibilities pursuant to these rules and standards are described in the “Responsibilities of the auditor for the audit of the consolidated financial statements” section of our report. We are independent of the audited entity as prescribed by Austrian commercial law and professional regulations and have fulfilled our other professional responsibilities in line with these relevant ethical requirements.

We believe that the audit evidence we obtained up to the date of our opinion is sufficient and appropriate to provide a basis for our audit opinion on this date.

With regard to our responsibility and liability as auditors vis-à-vis the Company and vis-à-vis third parties, Section 275 of the Austrian Commercial Code (UGB) applies.

KEY AUDIT MATTERS

Key audit matters are those facts that, in our professional judgment, were of most significance for our audit of the consolidated financial statements for the financial year. These matters were considered within 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.

IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS (PROPERTY, PLANT AND EQUIPMENT)

See notes D. 9, D. 18, E. 8, E. 9.

The risk to the financial statements

In the 2024 financial year, POLYTEC Holding AG identified indications of an impairment of intangible assets and property, plant and equipment.

The carrying amounts to be covered by the recoverable amount (determined by the impairment test of the cash-in-transit unit concerned) amount to EUR 232,025 k as at 31 December 2024. For the impairment test, the valuation is carried out on the basis of discounted net cash inflows, which are dependent on future earnings expectations, using discount rates derived from market data.

This valuation is subject to significant uncertainties relating to the accuracy of estimates, especially in connection with long-term planning assumptions and market unpredictability. The financial statements are at risk of being overstated for intangible assets and property, plant and equipment.

Our audit procedures

We assessed the recoverability of intangible assets and property, plant and equipment as follows:

- In order to be able to assess the appropriateness of the plans, we gained an understanding of the planning process and compared the assumptions used with historical developments. We have reconciled the earnings expectations and investments on which the evaluation is based with the budget prepared by the Executive Board and approved by the Supervisory Board, including medium-term planning. In addition, we discussed the assumptions in discussions with management and in the course of this gained an understanding of how historical experience influences management's planning.
- We have collected internal control to identify and assess indications of impairment or reversal of impairment and evaluated its design and implementation.
- We reviewed management's analysis of internal and external indicators of potential impairment.
- In addition, we assessed the appropriateness of the discount rates determined and the calculation model of the impairment test. We have critically assessed whether the long-term evolution of the level of profitability in the retirement phase appears consistent and plausible in comparison with past results and developments in medium-term planning. We also appreciated the plausibility and consistency of key performance indicators in the medium-term planning period. We carried out these audit procedures with the involvement of our valuation specialists.
- We have reviewed the appropriateness of the selected cash-generating unit. In addition, we examined whether the required information in the notes contains all the necessary explanations and whether the main estimation uncertainties are adequately described.

OTHER INFORMATION

The legal representatives are responsible for the other information. Other information includes all information in the Annual Report and Annual Financial Report, with the exception of the consolidated financial statements, the Group management report and the auditor's report.

Our opinion on the consolidated financial statements does not extend to this other information and we do not give any assurance in this regard.

In connection with our audit of the consolidated financial statements, we have a responsibility to read this other information and to assess whether the other information contains material inconsistencies with the consolidated financial statements, or our knowledge gained during the audit of the financial statements or otherwise appears to be misrepresented.

If, on the basis of the work we have done on the other information obtained prior to the date of the auditor's opinion, we conclude that there has been a material misrepresentation of such other information, we are required to report that fact. We have nothing to report in this context.

RESPONSIBILITIES OF THE MANAGEMENT AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The management is responsible for the preparation of the consolidated financial statements and that in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code), they provide a true and fair view of the group's asset, financial and earnings position. In addition, the management is also responsible for such internal controls, as it deems necessary in order to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When drawing up the consolidated financial statements, management is also responsible for assessing the group's ability to continue as a going concern, and, where appropriate, to disclose matters that are relevant to the group's ability to continue as a going concern, and to apply the going concern assumption in its financial reporting, except under circumstances in which the management intends to liquidate the group, cease operations, or has no realistic alternative to such measures.

The audit committee is responsible for overseeing the group's financial reporting process.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain sufficient assurance as to if the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Sufficient assurance means a high degree of assurance but provides

no guarantee that an audit conducted in accordance with the EU regulation and Austrian auditing standards, which require the audit to be performed in accordance with ISA, will always detect a material misstatement should it exist. Misstatements may result from fraud or error and are considered material if they could, individually or in total, reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU regulation and the Austrian auditing standards, which require the audit to be performed in accordance with ISA, we exercise professional judgment and maintain a critical, professional approach throughout the audit.

In addition:

- We identify and adjudge the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, plan and perform procedures to address such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk that material misstatements due to fraud remain undetected is higher than that of material misstatements due to error, since fraud may include collusion, forgery, intentional omissions and misleading representation, or the overriding of internal controls.
- We obtain an understanding of the internal control system of relevance to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.
- We evaluate the appropriateness of the accounting policies employed and the reasonableness of both the accounting estimates and related disclosures made by management.
- We draw conclusions on the appropriateness of the application of the accounting principle of going concern by the legal representatives and, on the basis of the audit evidence obtained, whether there is material uncertainty in connection with events or circumstances that may raise significant doubts about the Group's ability to continue operating as a going concern. If we conclude that there is material uncertainty, we are obliged to draw attention to the related information in the consolidated financial statements in our auditor's report or, if this information is inappropriate, to modify our opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date

of our auditor's opinion. However, future events or circumstances may result in the Group abandoning the continuation of business activities.

- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, as well as whether the consolidated financial statements reflect the underlying business transactions and events in such a way that the most accurate picture possible is achieved.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the units or divisions within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We are solely responsible for our audit opinion.
- Among other things, we discuss with the Audit Committee the planned scope and timing of the audit of the financial statements, as well as any significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.
- We will also provide a statement to the Examination Board that we have complied with the relevant professional conduct requirements on independence and will engage with them on all relationships and other matters that can reasonably be expected to affect our independence and, where relevant, related safeguards.
- Of the matters we discussed with the Audit Committee, we determine those matters that were most significant for the audit of the consolidated financial statements for the financial year and are therefore the most important audit matters. We describe these matters in our audit report, unless laws or other legal provisions preclude the public disclosure of the matter or, in extremely rare cases, we determine that a matter should not be disclosed in our audit report because it is reasonably expected that the negative consequences of such communication would outweigh its benefits to the public interest.

OTHER STATUTORY AND LEGAL REQUIREMENTS

REPORT ON THE GROUP MANAGEMENT REPORT

In accordance with Austrian corporate law, the Group management report must be reviewed to determine whether it is in accordance with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

With regard to the non-financial statement contained in the Group management report, it is our responsibility to review whether it has been prepared, to read it and to assess whether this other information contains material inconsistencies with the consolidated financial statements, or our knowledge gained during the audit of the financial statements, or otherwise appears to be materially misrepresented.

The legal representatives are responsible for preparing the Group management report in accordance with Austrian corporate law regulations.

We conducted our audit in accordance with the Professional Principles for the Audit of the Group Management Report.

Opinion

In our opinion, the group management report has been prepared in accordance with the valid legal requirements, contains appropriate disclosures pursuant to § 243a UGB (Austrian Commercial Code) and is consistent with the consolidated financial statements.

Statement

In view of the knowledge gained in the course of the audit of the consolidated financial statements and the understanding of the group and its environment thus obtained, we did not determine any material misstatements in the group management report.

ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 EU REGULATION

We were selected as the group auditors at the Ordinary Annual General Meeting on 21 June 2024 and on 25 September 2024 were commissioned by the Supervisory Board with the audit of the entity for the financial year ending on 31 December 2024.

We have served without interruption as the company auditors since the consolidated financial statements as at 31 December 2017.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the audit committee in accordance with Article 11 of the EU regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 of the EU regulation) and that we have ensured our independence of the members of the group throughout the course of the audit.

RESPONSIBLE AUDITOR

The auditor responsible for the audit contract is Mr. Mag. Gerold Stelzmüller

Linz

4 April 2025

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Qualified electronic signature:

Mag. Gerold Stelzmüller

Auditor

This document bears a qualified electronic signature and is only valid in the version. The publication or dissemination of the consolidated financial statements with our auditors' report may only take place in our approved version. This auditors' report relates solely to the German language version of the complete consolidated financial statements including the management report. For other versions, the regulations contained in §281 Para 2 of the Austrian Commercial Code are to be observed. (This is a translation of the original German version for information purposes without liability; the German version takes precedence.)