



Beteiligungs AG

Annual Report

2024

OVERVIEW

OWG Beteiligungs AG

OWG Beteiligungs AG is a holding company that invests in manufacturing companies, services and real estate. It was established in 2010 and has its registered office in Poing, Germany. Its business activities are centred primarily in the German-speaking countries, but it operates internationally as well.

Under its umbrella, OWG Beteiligungs AG has gathered companies operating in a range of industries encompassing material handling and processing technology, drive systems, wear protection, surface protection, elastomers, adhesive systems, the automotive industry, moulded items and electronic components. All of these companies serve markets with large growth potential, such as the construction industry, the agricultural industry and the recycling sector. This diversification constitutes one of the funda-

mental pillars supporting the resilience and long-term stability of the business model.

As a financially well-positioned partner, the holding company supports its shareholdings while also allowing them considerable latitude. It provides at the same time a framework for knowledge sharing and synergies among all of the Group's shareholdings. This allows the individual companies to manage their business operations and pursue strategic growth projects autonomously and independently. The companies receive additional support from OWG Beteiligungs AG in the form of management consulting and shared services.

As a family office, OWG Beteiligungs AG also operates as a financial services provider.



Services



Shareholdings



Real estate / properties



*(From left to right) Heinz Reiner Reiff, CEO,
Michael Übelacker, Management Board Member, Bernhard Strauch, Chairman of the Supervisory Board*

KEY FIGURES FOR 2024

€1,567
million sales

€107.1
million EBIT

€159.1
million EBITDA

49.4%
equity ratio

€2,147
million balance sheet total

10,767
employees

236
shareholdings
worldwide



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The background of the top half of the page is a photograph of a modern, multi-story office building with a grid-like facade of windows. The OWG Beteiligungs AG logo is overlaid on the right side of the image. The logo consists of the letters 'OWG' in a stylized, blue, outlined font, with a horizontal line underneath. Below the line, the words 'Beteiligungs AG' are written in a blue, sans-serif font.

OWG Beteiligungs AG

*Corporate headquarters of OWG Beteiligungs AG
in Poing, near Munich*

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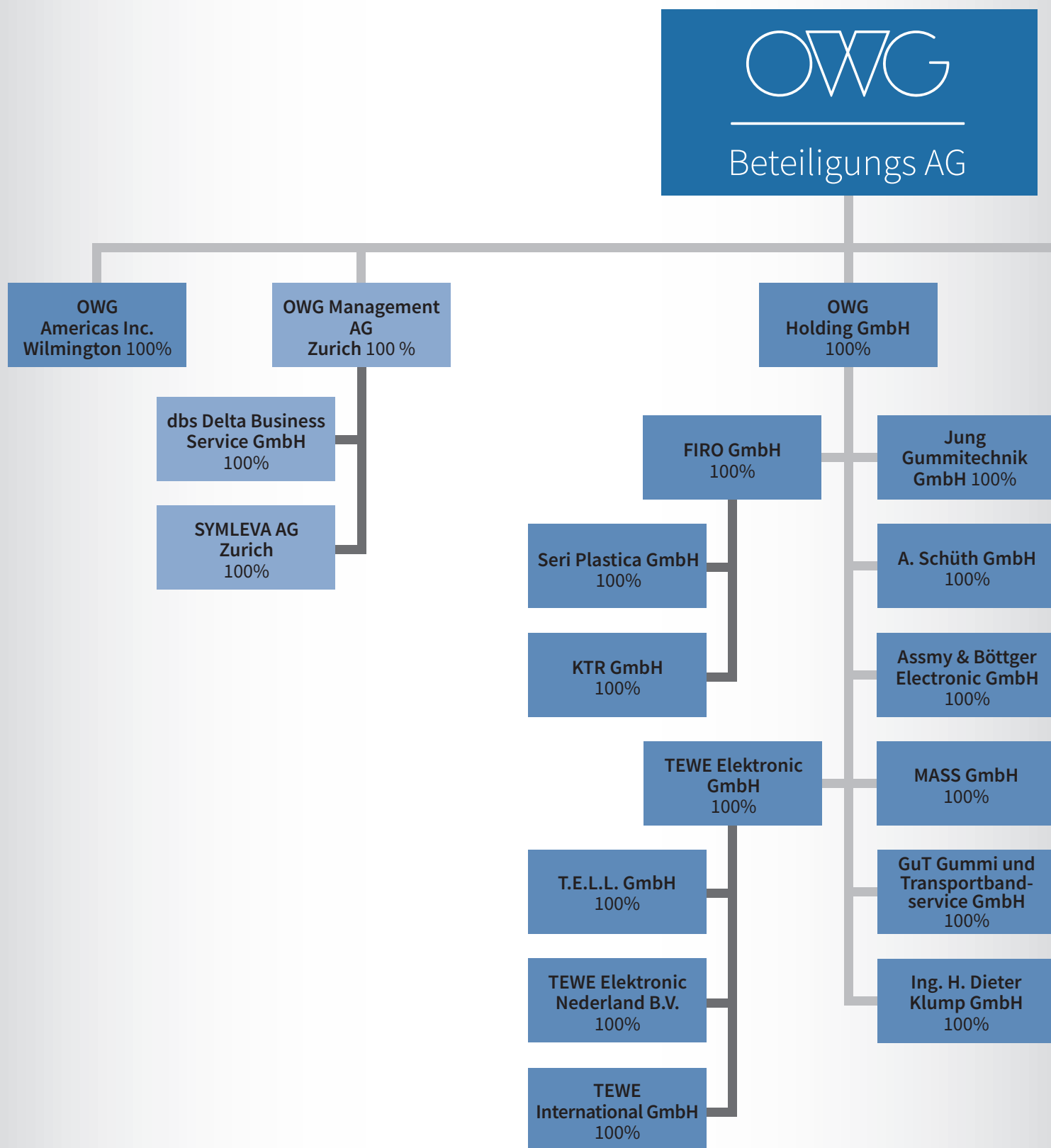
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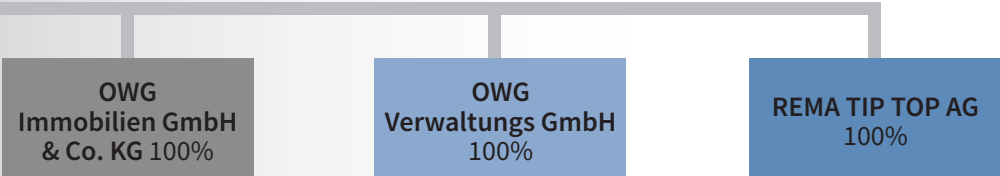
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CONSOLIDATED COMPANIES

of OWG Beteiligungs AG





-  Shareholdings / financial investments
-  Services
-  Real estate / properties

FOCUS AREAS IN 2024

for OWG Beteiligungs AG – the Group

Focus on organisational and acquisitive growth of the REMA TIP TOP group

Developing and strengthening of the financial division of the OWG Group



1.

2.



3.



4.



Reorganisation of OWG Holding GmbH

Optimisation of the investment portfolio

FOREWORD BY THE MANAGEMENT BOARD

Ladies and Gentlemen,
Dear Shareholders,



The past year can, with all justification, be described as extraordinary. 2024 was a year of notable political and geopolitical upheavals.

Governments fell in France and Germany; Donald Trump was re-elected as President of the United States; Europe, and the German economy in particular, has entered crisis mode; China's economy has been weakening; and the situation in the Middle East and in Ukraine is disastrous.

As entrepreneurs, we have to deal with these conditions. We cannot allow ourselves to lapse into fatalism. Most importantly, we must not lose our focus on emerging risks or ignore opportunities.

The OWG Group achieved its targets in the past financial year. As expected, it was able to realise a positive trend in revenue and operating income.

In an economically difficult environment, we as a Group achieved EUR 1.57 billion in sales and EUR 124 million in operating income (adjusted EBIT).

The normalisations that occurred in 2024 included, in addition to currency exchange rate effects, COVID loan repayments in the USA amounting to EUR 4.1 million.

Our EBIT margin in 2024 came in at 6.8 per cent, which was consistent with our realistic expectations.

Our shareholdings have demonstrated their resilience under the currently difficult economic conditions. Region-specific weaknesses were substantially offset operationally.

Our investments in Switzerland have likewise met our expectations and have continued to trend positively, with the result that the dividend level for the 2024 financial year remained on the whole approximately equivalent to that of the year before.

We are assuming in this connection that the model approved by the shareholders for dividends from financial investments remains in effect and supplements the regular dividends resulting from operating income.

This would once again bring the distribution amount to approximately EUR 30 million.

The dividend payment amount will be decided by the Annual Shareholders' Meeting on 7 July 2025.

I would like to sincerely thank all of our employees, who have contributed to the success of OWG Beteiligungs AG with their dedication and energy. I wish to thank as well our business partners and customers for their faith in us and in our products and services.

A stylized, handwritten signature in black ink, consisting of a large, flowing 'H' followed by 'R' and 'R'.

Heinz Reiner Reiff
Chairman of the
Management Board

A stylized, handwritten signature in black ink, consisting of a large, flowing 'M' followed by 'M' and 'K'.

Michael Mettcker
Member of the
Management Board

REPORT OF THE SUPERVISORY BOARD TO THE ANNUAL SHAREHOLDERS' MEETING

Report of the Supervisory Board of OWG Beteiligungs AG for the 2024 financial year

Dear Shareholders,

With 2024 now behind us, OWG Beteiligungs AG and its subsidiaries look back once again on a successful financial year, despite the persistence of difficult macroeconomic conditions arising from the conflict between Russia and Ukraine, the war in Israel, and the various imponderables resulting from the elections in the USA and the early new elections in Germany.

As in previous years, the Management Board has managed the OWG Group successfully in accordance with the jointly approved plans.

Cooperation between the Supervisory and Management Boards

The Supervisory Board fulfilled the duties incumbent on it by law and the Articles of Association throughout the 2024 financial year. It continuously followed and carefully supervised the Management Board's conduct of business. The Supervisory Board regularly advised the Management Board on management matters and continually confirmed to its satisfaction the legality, expediency and regularity of the Management Board's management. It was consulted early and involved directly in all decisions of material and strategic importance.

The Management Board fulfilled its information obligations. The content of its reports covered, in particular, all significant corporate planning matters, including financial and investment planning, as well as business policy, position and development, corporate strategy and important transactions of the OWG Group along with the opportunities and risks associated with them. The Supervisory Board was fully apprised of the trends in sales, earnings and



liquidity. Information concerning business performance results deviating from planning was likewise included in the reports.

The members of the Supervisory Board always had ample opportunity in the expert committees and plenary sessions to deal critically with the reports and resolution proposals submitted by the Management Board. In particular, the Supervisory Board discussed in detail, on the basis of written and oral reports by the Management Board, those business transactions that were of importance for the Group and scrutinised them for plausibility.

In its meetings and separate discussions, the Supervisory Board dealt with other important company matters as well. As usual, a close exchange took place particularly in respect of the difficult macroeconomic conditions that continued to prevail in 2024 and their impact on the Group. In addition, the members of the Supervisory Board made themselves available to the Management Board for consultation outside the meetings. The Chairman of the Supervisory Board in particular remained in regular contact with the Management Board to receive information on current developments and critical issues affecting the company, and to consult with that body on important topics.

Conflicts of interest

For the 2024 financial year, there have been no known indications of any conflict of interest on the part of members of the Management or Supervisory Boards that would be subject to immediate disclosure to the Supervisory Board and the Annual Shareholders' Meeting.

Meetings of the Supervisory Board

Four regular and five special meetings of the Supervisory Board took place in the year under review. In addition, several resolutions were passed by the Supervisory Board outside the meetings. The Supervisory Board consists of the following members:

1 January 2024 – 25 April 2024

Bernhard Strauch (Chairman)
Dr Josef Krähn (Dep. Chairman)
Dr Reinhold Ernst
Hans Spitzner

26 April 2024 – 11 July 2024

Bernhard Strauch (Chairman)
Dr Reinhold Ernst (Dep. Chairman)
Dr Josef Krähn
Hans Spitzner

12 July 2024 – 31 December 2024

Bernhard Strauch (Chairman)
Dr Reinhold Ernst (Dep. Chairman)
Dr Josef Krähn

The focal point of the meeting on 14 May 2024 was the resolution concerning the annual and consolidated financial statements for the previous year. Also addressed during this meeting were approval of the agenda, a resolution concerning resolution proposals for the subsequent regular Annual Shareholders' Meeting of OWG Beteiligungs AG, and approval of a proposal to hold the Annual Shareholders' Meeting as a virtual meeting.

In the meeting on 2 December 2024, the Supervisory Board focused on financial and investment planning for the 2025 financial year and the Internal Audit department's annual report for the Group.

Between the meetings of the Supervisory Board, the Management Board informed the Supervisory Board promptly and in detail, either in writing or in text form, of all relevant activities and intentions.

The Management Board and Supervisory Board engaged in intensive and vigorous exchange whenever necessary. The Supervisory Board was always kept fully informed of all necessary investments and their financing.

Focus areas of the Supervisory Board's deliberations

In their meetings, the members of the Supervisory Board thoroughly examined the business performance of OWG Beteiligungs AG. Sales and earnings trends, financial data, and the full-year forecast based on this data were presented to the Supervisory Board by the Management Board in detailed, nuanced reports. The Supervisory Board dealt in addition with important strategic matters on an ongoing basis.

The Supervisory Board has also represented the company in various legal disputes including an action for annulment against resolutions of the Annual Shareholders' Meeting.

The Supervisory Board was kept informed at all times of the Company's current situation, its risk situation, and its business prospects through reports and draft resolutions issued by the Management Board, and all the more intensively so during the 2024 financial year due to still extraordinary general conditions.

Based on the extensive information provided by the Management Board, the Supervisory Board carefully addressed all matters relevant to the Company and examined them in detail. It devoted special attention to maintaining a balance between opportunities and risks in respect of all investments.

Expert committees

The topics and Supervisory Board resolutions that constitute the subject matter of Supervisory Board meetings are carefully prepared by the expert committees.

The **Audit Committee** takes care of all of the areas of responsibility mentioned in Section 107(3) sent. 2 AktG (German Stock Corporation Act). It deals in particular with accounting and risk management matters.

Its main activities include the preliminary audit of the annual and consolidated financial statements of OWG Beteiligungs AG. It is also responsible for verifying and monitoring the required independence of the auditor, for the fee agreement with the auditor, and for specifying the main points of focus for the audit. The chairman of the committee is well-versed in the application of accounting principles and internal control procedures. The Audit Committee met three times in the 2024 financial year.

The **Strategy Committee** deals with special company strategy issues and corporate development issues. Within a framework arranged with the Management Board, the Committee's members supervise projects that are of fundamental importance for the Company's further corporate development. If necessary, they prepare appropriate decisions that are to be made by the entire plenum. No meetings outside the regular Supervisory Board meetings took place.

The **Legal and Compliance Committee** deals in particular with legal issues arising within the Supervisory Board's sphere of responsibility and monitors compliance with statutory regulations, regulatory requirements and internal corporate guidelines. The Committee for Legal Matters and Compliance convened twice in 2024.

The **Personnel Committee** deals with all of the Management Board's personnel matters. It met twice in 2024.

Annual and consolidated financial statements 2024

The annual and consolidated financial statements of OWG Beteiligungs AG were prepared by the Management Board in accordance with the principles of the German Commercial Code (HGB). These were audited by the Munich-based audit company Deloitte GmbH and provided in each case with an audit certificate.

All members of the Audit Committee received the annual and consolidated financial statements for their perusal in a timely manner. In the Audit Committee meeting on 13 May 2025, the annual and consolidated financial statements of OWG Beteiligungs AG, the management report, the group management report, and the Management Board's proposal for the appropriation of profits were carefully examined by the Audit Committee.

The Supervisory Board endorsed the results of the auditor's review. Based on its own review, the Supervisory Board stated that there were no demurs to be raised against the annual and consolidated financial statements or against the management or group management report.

Upon thorough examination, the Supervisory Board approved the annual financial statements and the consolidated financial statements in its meeting on 13 May 2025. The annual financial statements are thereby adopted and the consolidated financial statements approved.

The Supervisory Board followed the Management Board's proposal for the appropriation of net retained profits.

The Supervisory Board's thanks

The Supervisory Board would like to thank the Management Board and all OWG Group employees worldwide for their excellent and trusting cooperation.

With their personal commitment, they have all contributed to the successful conclusion of the 2024 financial year, despite the persistently difficult global economic situation. The Group's gratifying performance is the basis for its future growth.

Poing, 13 May 2025



Bernhard Strauch
Chairman

GROUP MANAGEMENT REPORT

for the 2024 financial year

A BASICS

Business model

OWG Beteiligungs AG is a holding company based in Poing, Germany, near Munich. It has been investing since 2010 in medium-sized manufacturing companies that show promising growth potential, in services, and in real estate.

The holding company focuses on companies that operate primarily in Germany, Austria and Switzerland but are active internationally as well. Its shareholdings are notable in that they operate autonomously and pursue independent strategies. At the same time, the holding company stands by them as a ready source of expert advice and financial resources. Its managers' many years of industrial experience are of great benefit as well.

The OWG Group's portfolio is composed of companies in diverse sectors ranging from material handling and processing technology, elastomers, wear protection, surface protection, adhesive systems, tyre repair materials and moulded items to electronic components and electronic devices intended for control systems used in automated work processes in agricultural and related industrial applications. This combination gives rise to synergies, that are continually analysed by OWG Beteiligungs AG.

Objectives and strategy

The primary objective pursued by OWG Beteiligungs AG is to increase the value of its portfolio companies sustainably over the long term, this being the basis of the OWG Group's value as a going concern.

It therefore focuses its attention on companies with clear growth potential, which can be expected to increase their earnings. These companies are identified and selected.

The selection process is influenced by megatrends. Topics relating to the trends that will shape our future include, for example, urbanisation, rising population numbers, mobility and prudent use of natural resources.

Controlling and monitoring

The implementation and application of a comprehensive management concept is of vital importance to the development of the value of OWG Beteiligungs AG and its subsidiaries. It constitutes the basis for the shareholdings' operational activities and the operational control systems to which the details of day-to-day business are subject.

The OWG Group plans and coordinates, among other things, business planning and the drafting of annual financial statements.

The managing boards work out the portfolio companies' business planning in an iterative process. The OWG Group's top-down planning, with its own sales, cost and investment planning, is adjusted accordingly. The holding company plans the drafting of the annual financial statements with the portfolio companies' commercial managers and monitors compliance with the timetable.

In addition, trends in incoming orders, operational risks and the portfolio companies' key earnings and financial figures are monthly analysed by the management control system the OWG Group operates for its shareholdings, and this information is presented to the Management Board as a basis for discussion. This process further includes analysis and evaluation of sales trends, operating results, incoming orders, working capital, equity and debt ratio as part of an integrated financial planning process that takes receivables, liabilities and inventories into account.

B ECONOMIC REPORT

In addition, the controlling department is regularly consulted in order to discuss important contract awards, strategic investments or financing, and other significant developments in the individual companies and to define alternative actions. The Management Board is involved in all of the crucial core processes relating to its investment business. This applies in particular to the selection and scrutiny of new equity investment proposals and to negotiations for the purchase or sale of shareholdings.

The Management Board is likewise responsible for the strategic direction of the Group as a whole in respect of the further development of its investment portfolio and the development, orientation and financing of the portfolio companies.

Important decisions are discussed and resolved at the Supervisory Board's regular and special meetings.

Research and development

The research and development activities are situated within the individual companies and aligned with their specific market demands and portfolios. Each of the shareholdings formulates and pursues development goals that further its growth, and each carefully observes market trends to be factored into the development process.

Such research and development activities consist in particular in revising formulas, utilising new raw materials, developing new applications, devising customer-specific solutions, making technological product improvements and adapting products to regional requirements and market demands.

Macroeconomic environment

2024 was yet another weak year for the German economy. Gross domestic product (GDP), for example, declined by 0.2 per cent. Uncertainties about economic trends in Germany and the geopolitical situation dampened domestic demand. Exports also declined, reflecting the diminishing competitiveness and associated structural problems of German industry. The lack of orders led to a decline in companies' willingness to invest. At least, the downward trend in those sectors that were especially hard hit, the building trade and industry was stopped for the time being during the winter months.

Uncertainty concerning Germany's future as a business location remains high even after the change of government. For the current year, the ifo Institute predicts only a slight increase of 0.2 per cent in GDP (source: ifo Economic Forecast Spring 2025, March 2025).

In the Eurozone as a whole, the economy grew by merely 0.9 per cent in 2024. Industry continued to suffer under the high energy and production costs and the weakness of the export market. One risk in particular that threatens further development is posed by the economic and trade policies of the new government in the USA, especially as the USA is the largest buyer of exports from the EU. The growth forecast for 2025 stands at 0.8 per cent (source: Deutsche Bank Research, *Konjunktur kurzgefasst*, March 2025).

The global economy proved to be stable on the whole in 2024 and grew by 3.2 per cent, albeit with large regional differences. In the USA, the economy, strengthened by fiscal policy and consumer demand, grew by 2.8 per cent. China benefited from, among other things, a large export volume and government economic stimulus measures, as reflected in a 4.7 per cent increase in GDP. Inflation gradually receded in many large economies.

A global growth rate of 3.3 per cent is estimated for 2025. The forecasts remain subject to considerable uncertainties arising from the fraught geopolitical situation, the ongoing war in Ukraine and the escalating situation in the Middle East. The recently imposed tariffs on imports into the USA have further aggravated existing tensions in global trade relations and pose a risk to the entire global economy (source: World Economic Outlook Update, IMF, January 2025).

Industry trends

Investments in the German equity capital market in 2024 stood at EUR 11.3 billion, a decline of 13 per cent (source: German Private Equity and Venture Capital Association).

At the turn of the year 2024/2025, 31 of 49 trade associations in Germany rated the current situation in their economic sectors worse than the year before. Fourteen associations assessed their situation as at least unchanged, while only four associations spoke of an improvement, among them those in the real estate and waste management sectors. The balance of positive and negative assessments thus continued to drift down into the negative range as compared to the previous year (source: Association Survey for 2025, German Economic Institute, December 2024).

The chemical and pharmaceutical industry experienced another difficult year. Although that industry posted a 2 per cent production increase in 2024 after the rapid decline of the previous two years plants were only operating at three quarters capacity on average. Sales in the industry declined by 2 per cent. First plants have been permanently closed; further closures are likely to follow. A meagre increase in production of 0.5 per cent is expected for 2025 (source: *Jahresbilanz 2024*, Verband der Chemischen Industrie e.V., December 2024).

The German rubber industry is also experiencing a crisis. Its production declined by 4.3 per cent in 2024, down almost to the same level as in the previous year. The decline

in the number of employees in that industry was similarly steep, and sales fell by 1.1 per cent. The companies complain in particular of excessive bureaucracy in the EU and are demanding better international competitive conditions (source: WDK press service, Wirtschaftsverband der deutschen Kautschukindustrie, March 2025).

The mood remains tense in the mechanical engineering sector as well. Production declined in 2024 by 7.5 per cent, adjusted for price, while orders fell by 8 per cent. Every third company rated its own position at the turn of the year as poor or very poor. At the same time, roughly one in five companies categorised its position as good or excellent. For 2025, many companies are expecting the order situation to be tight again. They are calling for greater competitiveness, investment incentives and cost reductions (source: *VDMA-Konjunkturerhebung und Jahresbilanz*, Verband Deutscher Maschinen- und Anlagenbau, January/February 2025).

Investor relations

With its investor relations works, the OWG Group aims to illustrate as clearly as possible for all investors the Group's strategy, the requirements of its operational business areas, and the situation in the markets. In so doing, it seeks relationships that are characterised by unfettered transparency and trust. These provide the basis for the dialogue with investors and stakeholders that is needed to consistently develop the Company further.

Despite the complex market situation, the long-term and risk-conscious development of the Company's value on the basis of a consistently stable financial structure remains positive for the divisions in the competitive environment.

If you have any questions, please feel free to contact the Company at any time using the following contact information:

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Business development

The OWG Group is continually growing. A total of 236 shareholdings belong to the OWG Group. The OWG Group's sales amounted to €1,567 million in 2024.

This represents an increase in sales of €54 million. The number of employees increased at the same time. In 2024 the Group employed 10,767 people.

The investment strategy of recent years was further pursued, consistently and successfully, in 2024.

Net assets, financial position and results of operations

Revenue in 2024 amounted to €1,567 million. Operating income mainly consisted of sales revenue. With a total output of €1,564 million, EBIT came to €107.1 million, or 6.8 percent of sales revenue.

Balance sheet total amounted to €2,147 million, an increase of €20 million. The equity ratio remained high at 49.4 per cent.

Income from equity investments is eliminated within the Group. The only remaining income is that from unconsolidated or associated companies.

Earnings after taxes amounted to €34.6 million.

The OWG Group recorded an annual result of €29.3 million for the year.

GROUP MANAGEMENT REPORT

for the 2024 financial year

C RISKS, OPPORTUNITIES AND FORECAST REPORT

RISK MANAGEMENT

Risk management is a continuous process within the Group the purpose of which is to detect emerging risks early and to analyse, manage and monitor them. It seeks to identify impending individual risks and to initiate the appropriate measures. It must in addition register risks inherent in the business process and potentially resulting in loss of liquidity, equity or company assets. Potential opportunities should be seized by the subsidiaries and managed or realised by the subsidiaries.

Economic and business-related risks and opportunities are studied and tracked on the basis of the Group's internal audit and monitoring system, which comprises, for example, internal and external audits according to an audit programme. A standardised internal control system (ICS) is in place and is reviewed by Internal Audit on the basis of an annual audit programme. Risks and opportunities arising from the subsidiaries are continuously and systematically recorded, aggregated, assessed and consolidated in quarterly reports. The Risk Committee meets once every quarter and discusses the significant risks and opportunities by region. These, too, are included for consideration in the planning and decision-making process.

The internal reporting system records, for example, such risks as those relating to dependencies on major customers, market trends, competition risks, geopolitical risks, key suppliers, procurement costs, procurement and supply chain resilience, credit and liquidity risks, currency exchange risks, interest rate risks, receivables management, delivery times, production interruptions, skilled worker shortages, insurance benefits, legal disputes, compliance with occupational and production safety rules and with laws and other regulations. In addition to the recording and evaluation of disruptions, a management control system exercises real-time and targeted oversight of the shareholdings. In particular, key performance indicators, variance analyses and forecasts are used to detect and communicate risks at an early stage to ensure a timely adjustment on the part of the shareholding concerned and the Group as a whole.

RISK REPORT

Financial risks

Liquidity and financing risks: The OWG Group has long-term, conservative financing in partnership with major and regional lending banks, both nationally and internationally. Moreover, the Group finances itself through equity and shareholder loans. Only individual subsidiaries can be exposed to short-term liquidity or refinancing risks if individual suppliers set shorter terms of payment or customers do not adequately meet their payment obligations. These risks can be offset with loans within the Group on the basis of the Group's liquidity reserves. Financial management is further optimised by means of cash pooling. Now that inflation has declined, central banks around the world have been lowering key interest rates compared to the previous year. Swaps were entered into to hedge against interest rate risks.

Risks arising from asset management: The liquid assets obtained from the sale of shares in STAHLGRUBER GmbH were invested for the most part in securities held for the long term. These financial investments were made with awareness of the risks, and our long-term orientation allows us to wait out short-term value fluctuations and corrections. Nevertheless, investment in securities always carries a risk of security price losses. In addition, investment outside the eurozone carries exchange rate risks. Changes in geopolitical or macroeconomic conditions can lead to significant fluctuations in the global stock markets and foreign exchange markets. In principle, both the development of securities and exchange rates may also trend in a direction that is favourable to the Group.

Tax-related risks: The companies in the OWG Group are subject to regular tax audits by tax authorities. Differing local tax laws and regulations among the various jurisdictions impose certain reporting, documentation and

payment duties that are subject to regular change. These country-specific duties may also differ substantially from one another. As a result, the requirements imposed in one country may not be recognised in others. Consequently, negative assessments with potential effects on net assets, financial position and results of operations may result even for those enterprises that are circumspect in their handling of tax matters.

Procurement risks: The Group purchases large quantities of raw materials such as rubber, plasticisers, oils, chalk, carbon black and chemicals, among others, for the manufacture of its products. These raw materials are subject to volatile price fluctuations, especially in response to political and economic uncertainties and a growing regulatory burden. One example is the EU's deforestation regulation, which was to have gone into effect at the turn of 2025 but has been deferred for one year. Depending on the market situation, price increases can be passed on to the customer only to a certain extent, and with a time lag, and may therefore depress net earnings. In addition, the loss of a key supplier of such raw materials may result in a loss of production and consequently have substantial negative effects on net assets, financial position and results of operations. As most raw materials are traded in US dollars, exchange rate changes present risks and opportunities. The price situation for raw materials and for electricity and other forms of energy continues to be volatile, and it varies by region.

Goodwill: There is, finally, the risk that equity investments or subsidiaries will in future cease to be classifiable as valuable owing to poor earnings prospects. This would give rise to an impairment of any goodwill associated with the affected equity investment or subsidiary.

Insurance: The Company's existing insurance cover, particularly in respect of business liability, property, accident and transportation, which the Management deems adequate and in line with industry standards, affords the OWG Group partial protection from potential financial losses.

Strategic risks

Competitive environment: The global markets for the OWG Group's products and services are intensely competitive, especially in respect of pricing, product development and customer service and in response to changes in market demand. Within its business segment, the Group is in competition with strong local and international competitors. In some markets, the competition could further intensify owing to stagnating growth.

Global supply chains: Geopolitical events pose the risk that disruptions in global supply chains might prevent orders from being fulfilled, a development that could result in a decline in sales and invoke contractual penalties. Freight charges and delivery times continue to be volatile in their response to political changes and conflicts.

Compliance risks

Risks arising from legal disputes: The OWG Group has been, and in future may continue to be, confronted with legal disputes or proceedings in various jurisdictions. As a result, Group companies may, in particular, be jointly or severally sued for damages and/or penalties, and/or be subject to a specific performance order, owing to a breach of contractual or statutory duties. There is in addition the risk that, in cases where the Company prevails in court and, for example, obtains judicial confirmation of a customer's payment obligations, that the claim cannot be enforced owing, for example, to the customer's inability to perform.

It goes without saying, unfortunately, that decisions, assessment or obligations imposed in legal proceedings may turn out other than as expected, which could have negative effects on the Group's business activities as well as its net assets, financial position and results of operations.

Risks relating to occupational safety, the environment and health: Future occupational safety, environmental protection or health-related regulatory provisions, other state regulatory provisions, or their amendments could require adjustments in the OWG Group's operating activities and result in a substantial increase in operating costs. In addition, there exist the moderate risks of potential occupational safety, environmental protection or health-related incidents, or risks arising from non-compliance with the applicable regulatory provisions, which could subsequently lead to serious accidents, loss of reputation or legal consequences. Environmental damage could result in losses which are in excess of the amounts insured or which are not covered by insurance. Such losses may affect net assets, financial position and results of operations.

OPPORTUNITY REPORT

To ensure continual growth, measures addressing organisational structure, distribution, intercompany relations and purchasing have been implemented. In addition, business activities in established markets are to be expanded, and new markets are to be tapped into and optimised for existing product and service portfolios. This is intended to bring about a larger market share and better margins. We are striving, furthermore, to increase sales of products and services through, among other things, improved customer care and additional sales channels.

OWG Beteiligungs AG is constantly monitoring current and potential markets to identify opportunities for strategic mergers, acquisitions and investments that might contribute to the OWG Group's organic growth. These actions may help the Group strengthen its position in existing markets, enter into new or under-served markets, and expand its product and service portfolios in strategic areas. Other steps include cost reduction initiatives, restructuring of individual subsidiaries, and transformation or streamlining of the portfolio to increase growth and profitability.

The strengthening of such functions as development, research, purchasing, production, maintenance and service provision in new growth markets could contribute to a lowering of costs and an improvement in global competitiveness. Moreover, the local presence of the subsidiaries in many countries may make it possible to benefit from growth opportunities and global market shifts, which would result in greater market penetration and larger market shares.

The OWG Group assumes that many of the individual opportunities arising from external developments and the further development of its own strategy can also be exploited in the future by adjusting the organizational and group structure of the OWG Group.

The liquidity of the Group as a whole is ensured thanks to its strong equity and liquidity basis and measures that were implemented early on. Optimised cash management and working capital are continually improving liquidity. The continued existence of the Group is not in peril even under difficult external conditions.

FORECAST REPORT

The global economy demonstrated its resilience in 2024. Inflation fell further in the direction of the central banks' targets, while growth remained stable. The year 2025, however, continues to pose considerable challenges. Geopolitical tensions pose risks, the countries' debt ratios are high, and medium-term growth prospects are weak. The ongoing conflicts in the Middle East and in Ukraine could disrupt the energy markets, erode confidence and impede growth. Intensifying trade conflicts with possible tariff increases could impede economic growth. Unexpected negative developments in respect of growth prospects or deflation could lead to disruptive corrections in the financial markets.

Despite these challenges, the OWG Group showed itself to be robust and resilient during the ongoing conflicts. It has been able to operate successfully even in volatile and

uncertain times and will continue to do so. Should the global economy take a significant downturn, the Group will respond as in previous years with adjustments to its cost basis and with further strategic measures. OWG Beteiligungs AG has ensured its geographic diversification by virtue of its international activities.

The OWG Group's net assets, financial position and results of operations will in future be determined in large part by its asset management. It will continue to strive to achieve, by means of a conservative investment strategy, the best possible results with the least amount of risk. The prices of securities are subject to natural market fluctuations that are beyond the OWG Group's sphere of influence. But its long-term orientation and diversification of the portfolio enable it to wait out such fluctuations.



GROUP MANAGEMENT REPORT

for the 2024 financial year

D SUSTAINABILITY REPORT

All companies in which OWG Beteiligungs AG invests are screened for value-oriented action and corporate responsibility, also from an ecological point of view, and selected accordingly. The aim is always to achieve a combination of sustainability targets and economic efficiency. Due to this strategy, these investments open up new markets, conserve the environment and natural resources and increase the value of the companies.

In 2024, improvement proposals arising from energy audits at various of the Group's locations were put into practice by many companies within the OWG Group. Retrofitting new areas with LED lighting resulted in additional energy savings. Thanks to increasing digitalisation and a concomitant reduction in printing output, much less paper was used. All of these measures have reduced the Group's ecological footprint.

Furthermore, statutory requirements, such as those imposed by the German Energy Efficiency Act and the German Act on Corporate Due Diligence Obligations in Supply Chains, were implemented. In addition, preparations were made for compliance with the EU Regulation on Deforestation-Free Products. According to this, ecological and social aspects along the supply chain were improved and the required measures were implemented and realized.

Listed below are some examples of sustainability efforts on the part of the OWG Group's shareholdings:

REMA TIP TOP AG:

As a specialist in the field of tyre and conveyor belt repair, REMA TIP TOP AG considers the conservation of resources and reduction of its CO₂ footprint to be of central importance. A new software program enables optimal use to be made of cargo holds. In addition, direct delivery to two major customers from the Fürstenzell factory eliminates the need for detours through the logistics centre and the additional transport-associated CO₂ emissions they entail.

At the Poing location in 2024, the first project phase to create a new, lower-emission chemical production process was put into test operation with the production conversion of three main products to state-of-the-art production. Optimisation of the production technology for the second phase of the project is in the planning stage.

The logical next step is to implement a sustainable energy concept. By implementing an improved measurement concept for recording energy data, specific energy saving measures can currently be identified, tested and, if economically feasible, implemented. District heating from sustainable energy sources has been chosen as the future energy source for the Poing location. The conversion is to take place by the third quarter of 2025.

At the Fürstenzell location, large parts of the lighting have been converted in large part to LED to save electricity.

An energy management system was implemented to keep track of all of these measures and to satisfy the requirements of the German Energy Efficiency Act. Certification according to the DIN EN ISO 50001 standard is planned for June 2025.

GuT Gummi und Transportbandservice GmbH:

This supplier and partner to the bulk goods and agricultural industry, which provides rubber elevator belts, conveyor belts, technical rubber mats and sheets, wear protection, moulded rubber parts and treads, also expanded its lighting with energy-saving LED lamps in its production facilities in 2024.

Another means of conserving the environment is to reduce waste by reusing it. GuT therefore reuses suppliers' packaging materials, their condition permitting. In addition, the Company uses the scrap cut from conveyor belts and elevator belts for punching, which reduces waste to a minimum.

JUNG Gummitechnik GmbH:

For its private label customers and its own brand Jugitec, this manufacturer of protective gloves and technical rubber goods now dispenses with the instruction leaflets that used to accompany its chemical protection gloves and glovebox gloves. In their stead, a QR code that links to all of the important information is printed on its products. This saves up to a tonne of paper per year.

In addition, the realisation of a new illumination concept commenced last year following an analysis of light levels at the Einhausen location in 2023. Its aim is to reduce electricity consumption by approximately 90,000 kilowatt hours per year while improving working conditions.

KTR Kunststofftechnik Rodenberg GmbH:

Among the main product categories of Kunststofftechnik Rodenberg GmbH are ship shaft bearings, construction pumps, agricultural equipment, industrial pumps, wear protection plates and moulded parts made of various materials.

Last year, it achieved significant energy savings. In the polyurethane department, the switching times for the preheating ovens were adjusted; in the rubber injection press department, the systems' heating times were likewise optimised. Motion detectors for the lighting system in

a warehouse have further reduced electricity consumption. To save heating gas, ceiling fans were installed in a production hall to improve the circulation of warm air.

MASS GmbH:

MASS GmbH was able to record several positive developments in 2024 in respect of environmental friendliness. Its environmental management in accordance with the DIN EN ISO 14001 standard was audited once again with no findings of variances. Moreover, the Company earned its qualifications in the categories "Future of sustainability in the supply chain" and "Environmental transparency" on the sustainability-related portals "Carbon Disclosure Project Worldwide" and "IntegrityNext". Thanks to the collaboration with the Allog company, the exhaust gases released by mass drying ovens are now discharged into the environment free of pollutants.

In addition, this developer and manufacturer of coating and heating systems, dryers and handling equipment for the printed circuit board, microelectronics and solar cell industries was certified as a family-friendly company in the Soest district.

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

ASSETS	31/12/2024	LIABILITIES	31/12/2024
kEUR	2,147,493	kEUR	2,147,493
Intangible assets	101,630	Subscribed capital	1,463
Tangible assets	345,010	Retained earnings	155,611
Financial investments ¹⁾	791,696	Consolidated capital reserves	831,162
Fixed assets	1,238,336	Consolidated balance sheet profit	48,004
Inventories	360,027	Equity difference from currency translation	-22,775
Trade receivables	296,716	Non-controlling interests	47,903
Accounts receivable from affiliated companies	1,406	Equity	1,061,368
Accounts receivable from subsidiaries	9,174	Special reserves for investment grants	529
Other assets	63,533	Pension provisions	17,341
Securities ¹⁾	7	Tax provisions	9,281
Cash on hand and bank balances	166,790	Other provisions	86,110
Current assets	897,653	Provisions	112,732
Deferred income	11,504	Loan liabilities to STAHLGRUBER SHAREHOLDERS' TRUST	15,786
		Liabilities to banks	671,897
		Advances received	11,366
		Trade liabilities	107,102
		Liabilities from the issue of own bills of exchange	6
		Liabilities to affiliated and associated companies	167
		Other liabilities	156,695
		Liabilities	963,019
		Deferred income	2,013
		Deferred tax liabilities	7,832

¹⁾ Reallocation of securities from current assets to fixed assets

CONSOLIDATED PROFIT AND LOSS STATEMENT

FROM 1 JANUARY TO 31 DECEMBER 2024

kEUR

Revenue	1,567,490
Change in inventories	-3,903
Own work capitalised	280
Other operating income	40,225
	1,604,092
Cost of materials	-679,527
Personnel expenses	-497,392
Amortisation and depreciation of intangible and tangible assets	-52,050
Other operating expenses	-268,028
Operating result	107,095
Income from equity investments	-362
Income/expenses from other financial assets	4,360
Interest expense	-39,450
Profit from ordinary business activities	71,643
Income taxes	-37,002
Earnings after taxes	34,641
Other taxes	-5,311
Consolidated net income for the financial year	29,330
Minority interest in net income/loss	-17,380
Consolidated net income	11,950

CONSOLIDATED CASH FLOW STATEMENT

FROM 1 JANUARY TO 31 DECEMBER 2024

	KEUR
Consolidated net income for the financial year	29,330
Depreciation/appreciation of fixed assets	52,050
Increase/decrease in provisions	-1,103
Other non-cash income and expenses	238
Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-8,160
Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-2,714
Profit/loss on disposal of fixed assets	-11,810
Interest expense/interest income	39,909
Other investment income	-4,819
Income tax expense/income	37,002
Income tax payments	-45,202
Cash flow from operating activities	84,722
Proceeds from disposal of intangible assets	205
Payments for investments in intangible assets	-6,882
Proceeds from disposal of tangible assets	11,459
Payments for investments in tangible assets	-53,252
Proceeds from disposal of financial assets	98,320
Payments for investments in financial assets	-79,946
Payments for additions to the scope of consolidation	-22,284
Proceeds/payments due to financial investments as part of short-term financial management	-7
Proceeds from interest received	19
Proceeds from dividends received	4,819
Cash flow from investing activities	-47,549
Payments from equity reductions to shareholders of the parent company	-3,773
Payments from equity reductions to non-controlling shareholders	-5,852
Proceeds from (financial) loans	161,916
Payments for redemption of (financial) loans	-133,498
Interest paid	-38,941
Dividends paid to shareholders of the parent company	-30,730
Dividends paid to other shareholders	-10,254
Cash flow from financing activities	-61,132
Cash and cash equivalents at the beginning of the period	149,809
Net change in cash and cash equivalents	-23,959
Changes in cash and cash equivalents due to exchange rate movements, scope of consolidation and valuation	2,453
Cash and cash equivalents at the end of period	128,303
Cash and cash equivalents	166,790
Current account liabilities	-38,487
Net liquidity	128,303

MEMBERS OF THE SUPERVISORY BOARD:

1 January 2024 – 25 April 2024

- Bernhard Strauch (Chairman)
- Dr Josef Krähn (Dep. Chairman)
- Dr Reinhold Ernst
- Hans Spitzner

26 April 2024 – 11 July 2024

- Bernhard Strauch (Chairman)
- Dr Reinhold Ernst (Dep. Chairman)
- Dr Josef Krähn
- Hans Spitzner

12 July 2024 – 31 December 2024

- Bernhard Strauch (Chairman)
- Dr Reinhold Ernst (Dep. Chairman)
- Dr Josef Krähn

MEMBERS OF THE MANAGEMENT BOARD:

- Heinz Reiner Reiff, CEO
- Michael Übelacker

IMPRINT

Contact

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