



Prospectus dated 15 April 2026

for the public offering in Germany

of

3,840,000 newly issued ordinary bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) from a capital increase for a contribution in cash to be resolved by an extraordinary general shareholders' meeting of the Company presumably on or about 27 April 2026

(the “**New Shares**”)

and of

300,000 existing bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) from the holdings of the Selling Shareholder

(the “**Selling Shares**”)

and of

up to 621,000 existing bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) from the holdings of the Selling Shareholder in connection with a possible over-allotment, provided that the total number of such over-allotment shares will not exceed 15% of the final number of New Shares and Selling Shares placed in the Offering

(the “**Overallotment Shares**”)

and at the same time

for admission to trading

on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

12,160,000 existing ordinary bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*)

(the “**Existing Shares**”)

and of
up to 3,840,000 New Shares

- each such share with no par value and a notional value of Euro ("**EUR**") 1.00 each and full dividend rights for the financial year as from 1 April 2025 -

of

electrovac AG

Salzweg, Germany

Price Range: EUR 7.80 – EUR 10.20

International Securities Identification Number (ISIN): DE000A420ZL4
German Securities Identification Number (*Wertpapierkennnummer*) (WKN): A420ZL
Ticker Symbol: EVAC

Joint Global Coordinators, Joint Lead Managers, Joint Underwriters and Joint Bookrunners

BankM AG and B. Metzler seel. Sohn & Co. Aktiengesellschaft

This document constitutes a prospectus for the purposes of the public offerings in Germany and listing of the shares on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (the "**Prospectus**"). This Prospectus has been prepared in the English language with a German-language summary in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council ("**Prospectus Regulation**") and conforms to the requirements of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). This Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") after a review for completeness of the Prospectus, including a review for coherence and comprehensibility of the presented information.

The validity of this Prospectus will expire with the beginning of the trading of the shares to be admitted on the basis of this prospectus to the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), which is expected to occur on 30 April 2026, and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this prospectus is no longer valid.

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1. SUMMARY

A. - Introduction and Warnings

This prospectus (the "**Prospectus**") relates to shares of electrovac AG (the "**Company**", the "**Issuer**" and, together with its direct and indirect subsidiaries, the "**electrovac Group**"), Anglstraße 4, 94121 Salzweg, Germany ("**Germany**"), legal entity identifier ("**LEI**") 5299008TJ4LODTQQNQ85, www.electrovac.com, each such share having the International Securities Identification Number ("**ISIN**") DE000A420ZL4 (each share of the Company, a "**Share**", and together, the "**Shares**").

The Shares are offered by the Company, together with BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127 ("**BankM**") and B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main, Germany, LEI 529900IOG1ENLW4SUU53 ("**Metzler**", BankM and Metzler, each a "**Joint Global Coordinator**", "**Joint Lead Manager**", "**Joint Underwriter**" and "**Joint Bookrunner**" and together the "**Joint Global Coordinators**", "**Joint Lead Managers**", "**Joint Underwriters**" and "**Joint Bookrunners**").

On 15 April 2026, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany, www.bafin.de, approved this Prospectus as the competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended.

This summary should be read as an introduction to this Prospectus. Investors should base any decision to invest in the Shares on the consideration of this Prospectus as a whole. Investors in the Shares could lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

B. – Key Information on the Issuer

B.1 – Who is the Issuer of the Securities?

Registration and Applicable Laws — electrovac AG has its registered seat in Salzweg, Germany, and the LEI 5299008TJ4LODTQQNQ85. The Company is incorporated under the laws of the Federal Republic of Germany in the form of a German stock corporation (Aktiengesellschaft ("**AG**")). As a German AG the Company is subject to German law.

Principal Activities — electrovac AG is the holding of a medium-sized, globally active group with more than 75 years of experience in the design and manufacturing of hermetic glass-to-metal sealed components. The electrovac Group's core capabilities include glass-to-metal sealing technology, stamped, formed and machined metal parts, glass preform production and electroplating. The electrovac Group operates four production sites in Germany, Austria and Thailand and maintains additional sales offices in France, Japan and the United States, serving more than 250 customers worldwide.

The electrovac Group supplies customized solutions ranging from small-batch niche products to high-volume series production and produces almost exclusively customer-specific products, with basic package designs typically provided by the customer.

The electrovac Group serves three business areas: personal safety ("**Personal Safety**"), aerospace and defense ("**Aerospace and Defense**") and other mobility and industry ("**Other Mobility and Industry**").

- The business area Personal Safety focuses on developing customized hermetic packages used to encapsulate explosive materials. These essential, safety-critical and regulatory-mandated components are primarily deployed in airbag systems, seatbelt pretensioners and other automotive safety applications. The Personal Safety business area comprises two main product groups: airbag igniter headers and contact pins. The glass-to-metal seals used in airbag igniter headers protect the initiator charge and ensure reliable performance even under demanding thermal and mechanical conditions. The second product group, high-precision contact pins, complements this portfolio and is used in a wide range of applications, including seat belt pretensioners.
- In Aerospace and Defense, electrovac Group's glass-to-metal seals are used in civil and military aviation, satellite programs, anti-missile systems and selected types of ammunition. These components protect sensors and microelectronic assemblies against harsh environments, such as extreme temperature variations, moisture, contamination, high pressure and vibration. The electrovac Group also supplies specialized hybrid hermetic packages required in satellite technology and defense applications, where data transmission is routed directly through the housing.
- The Other Mobility and Industry business area covers applications in the automotive sector as well as various industrial markets. In the automotive field, the main products are transmission control modules and sensor packages. In other industries, key products include sealed packages and sockets for pressure sensor applications used in the chemical industry, hydraulics, manufacturing processes, automation, booster pumps and air-conditioning systems.

Major Shareholders – As of the date of this Prospectus, Electrovac Holding AG holds 75.25% of the Shares and Christoph and Michael Beuthauser each hold 12.375% of the Shares (Electrovac Holding AG and Christoph and Michael Beuthauser also referred to as "**Existing Shareholders**"). 66.66% of the shares in Electrovac Holding AG are owned by bcm invest GmbH, which is in turn owned by Christoph and Michael Beuthauser who each hold 50%. Robert Wernsdorfer holds 25% directly in Electrovac Holding AG and 8.34% of the shares through GaLa Verwaltungs GmbH, of which Robert Wernsdorfer holds 100% of the shares.

Controlling Shareholders – As of the date of this Prospectus, the Company is controlled by its majority shareholder Electrovac Holding AG through its management board. Following completion of the Offering and assuming placement of all 3,840,000 New Shares and 300,000 Selling Shares, Electrovac Holding AG is to hold 55.32% of the Shares and would thus continue to have control; in case all of the 621,000 Overallotment Shares are placed as well, Electrovac Holding AG is to hold 51.43% of the Shares which would still constitute control.

Key Executive Director – The executive director (*Vorstand*) of the Issuer is Dieter Thumfart.

Statutory Auditors – The Issuer's statutory auditor is BDO AG Wirtschaftsprüfungsgesellschaft, with its registered seat in Hamburg, acting through its branch in Munich.

B.2 — What is the Key Financial Information regarding the Issuer?

The financial information contained in the following tables is taken or derived from the audited consolidated financial statements of the electrovac Group in accordance with IFRS as at and for the financial years ended on 31 March 2023, 2024 and 2025 ("**Audited Consolidated Financial Statements**"), and the interim consolidated financial statement of the electrovac Group in accordance with IFRS for the period of 1 April 2025 until 31 December 2025 ("**Unaudited Interim Consolidated Financial Statement**"). Unless indicated otherwise, all financial information presented in the tables below is shown in thousands of Euro (in kEUR). Certain financial information has been rounded according to established commercial standards.

Key Financial Operating Data

	For the nine month period ended 31 December	For the financial year ended 31 March		
Values in kEUR ¹	2025 unaudited	2025 audited ¹	2024 audited ¹	2023 audited ¹
Net sales	85,934	98,163	87,616	85,249
Operating profit ²	10,521	9,109	4,414	5,726
Profit for the year	7,180	5,183	1,924	3,232
Earnings per share (in EUR) ³	14.36	10.37	3.85	6.46
Year-on-year revenue growth ⁴ (unaudited)	21.0%	12.0%	2.8%	10.3%

Selected Data from the Consolidated Statement of Financial Position

	As of 31 December	As of 31 March		
Values in kEUR	2025 unaudited	2025 audited	2024 audited	2023 audited
Total assets	92,077	87,239	80,643	80,711
Total equity	49,348	44,601	39,522	38,330
Total liabilities	42,729	42,638	41,122	42,381

¹ Unless stated otherwise

² Shown as EBIT in the financial statements of the electrovac Group

³ Figures are based on 500,000 shares, before the share capital of the Company was increased in January 2026 to 12,160,000 shares

⁴ Only for the value for the nine month period ended 31 December 2025: Compared to period 01.04 – 31.12.2024

Selected Data from the Consolidated Statement of Cash Flows

	For the nine month period ended 31 December	For the financial year ended 31 March		
Values in kEUR¹	2025 unaudited	2025 audited	2024 audited	2023 audited
Net cash provided by operating activities	4,823	9,416	9,456	6,218
Cash Flow from investing activities*	-2,360	-4,820	-4,976	-5,565
Cash Flow from financing activities	-1,763	-5,500	-2,227	-1,009
Cash and cash equivalents at the beginning of the period	1,588	-3,072	-5,325	-4,969
Cash and cash equivalents at the end of the period	2,288	-3,976	-3,072	-5,325

* As of 31 December 2025, change in overdrafts is shown in cash flow from financing activities instead of change in liquid funds.

B.3 – What are the Key Risks that are Specific to the Issuer?

- Geopolitical conflicts and a negative development of the overall economic situation worldwide or in the Issuer's key sales markets may adversely affect the business activities of the electrovac Group.
- The political and regulatory conditions in some of the countries in which the electrovac Group or its customers operate differ materially from those in Europe, exposing the electrovac Group to uncertainties in less familiar environments.
- Operational disruptions or lengthy periods of production downtime may prevent the electrovac Group from delivering its products on time or at all, leading to a loss of revenue and increased customer dissatisfaction.
- The Issuer may have difficulties to retain or adequately replace the senior management of the electrovac Group.
- The electrovac Group relies on complex IT systems and networks that are typically susceptible to disruption or malfunction, or that could be targeted by hackers or saboteurs.
- Foreign trade barriers such as economic sanctions against certain countries, organizations and persons as well as export controls and tariffs could affect the electrovac Group's ability to produce, market and sell its products.
- Defects and quality issues of the electrovac Group's products may lead to product recalls, product liability and warranty claims as well as other adverse actions from customers and regulatory authorities.
- The electrovac Group is subject to complex regulatory frameworks. Failure to comply with such regulations could result in fines, business interruptions and other adverse actions by governmental regulatory authorities.
- The electrovac Group may not be able to generate sufficient cash flows or obtain additional funds to finance its business operations.
- The electrovac Group is, and expects to continue to be, exposed to foreign currency exchange risks.
- The Existing Shareholders may enforce their interests to the detriment of other shareholders.
- There are tax risks and potential conflicts of interest with respect to Related Party Transactions.

C. – Key Information on the Securities

C.1 – What are the Main Features of the Securities?

This offering (the "**Offering**") relates to (a) 3,840,000 newly issued shares from a capital increase against cash contributions expected to be resolved by a general shareholders' meeting of the Company on or about 27 April 2026 (the "**New Shares**"), (b) 300,000 existing shares (the "**Selling Shares**" and, together with the New Shares, the "**Placement Shares**") from the holdings of Electrovac Holding AG (the "**Selling Shareholder**"), and (c) up to 621,000 existing shares from the holdings of the Selling Shareholder in connection with a possible over-allotment (the "**Overallotment Shares**" and, together with the Placement Shares, the "**Offered Shares**"). The total number of Overallotment Shares will not exceed 15% of the final number of Placement Shares placed in the Offering. The Shares, including the Offered Shares, will be admitted to trading as part of the Admission to Trading (as defined in C.2).

Number and Nature of Shares – 12,160,000 Shares are outstanding. The Shares are bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*), each such Share representing a notional value of EUR 1.00.

ISIN and Denomination – The ISIN of the Shares is DE000A420ZL4 and the Shares are denominated in Euro.

Rights Attached to the Shares and Transferability – The Shares carry full dividend rights. Each Share carries one vote at the Company's shareholders' meeting. The Shares are freely transferable in accordance with the legal requirements for bearer shares.

Seniority – The Shares are subordinated to all other securities and claims in case of an insolvency of the Company.

Dividend Policy – Subject to the availability of distributable profits and distributable funds under German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch- HGB*), the Company intends to regularly distribute a dividend.

C.2 – Where will the Securities be traded?

The Shares are expected to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (*Prime Standard*) (the "**Admission to Trading**").

C.3 – What are the Key Risks that are Specific to the Securities?

- The Shares have not been publicly traded, and there can be no assurance that a liquid market for the Shares will develop and be sustained.
- There is uncertainty regarding the price development of the Shares. The share price may be subject to strong fluctuation as a result of various factors.
- Future sales of the Shares by the Existing Shareholders, or the perception that such sales may occur, could depress the price of the Shares.

D. – Key Information on the Offer of the Securities and the Admission to Trading

D.1 – Under which Conditions and Timetable can I invest in this Security?

Scope of the Offering	The Offering consists of an initial public offering in Germany.
Price Range and Target Proceeds	The Company targets gross proceeds of approximately EUR 34.6 million from the sale of the New Shares. The price range within which purchase orders may be submitted is between EUR 7.80 and EUR 10.20 per Offered Share (the " Price Range ").
Offer Period	17 April 2026 through 27 April 2026 (the " Offer Period "), provided that the Offer Period will not commence prior to the publication of this Prospectus and may be shortened or extended.
Offer Price	The Offer Price is expected to be determined by the Company and the Selling Shareholder, after consultation with the Joint Underwriters, on 27 April 2026.
Greenshoe Option	To cover a possible overallotment, the Selling Shareholder has granted BankM an option to acquire up to 621,000 Shares at the Offer Price, less agreed commissions (the " Greenshoe Option ").
Admission to Trading and Delivery	The Admission to Trading decision is expected to be issued on 29 April 2026 and trading on the regulated market (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) is expected to commence on 30 April 2026. Delivery of the Offered Shares against payment of the Offer Price is expected to take place on 30 April 2026.
Dilution of New Shareholders	EUR 4.12 per Share, or 45.73% (assuming an Offer Price at the mid-point of the Price Range).
Accretion of Existing Shareholders	EUR 0.83 per Share, or 20.35% (assuming an Offer Price at the mid-point of the Price Range).
Total Expenses	Approximately EUR 7.2 million of which EUR 5.8 million will be payable by the Company and EUR 1.4 million by the Selling Shareholder (assuming an Offer Price at the mid-point of the Price Range, placement of the maximum number of Placement Shares and full exercise of the Greenshoe Option).
Expenses charged to Investors	Only customary transaction and handling fees charged by the investors' brokers.

D.2 – Who are the Offerors and the Persons asking for Admission to Trading?

Offerors	In addition to the Company, the Offered Shares are being offered by BankM AG, a stock corporation incorporated in, and operating under the laws of Germany, and with its registered seat in Frankfurt, Germany, and B. Metzler seel. Sohn & Co. Aktiengesellschaft, a stock corporation incorporated in, and operating under the laws of Germany, and with its registered seat in Frankfurt, Germany.
Admission to Trading	The Company, together with BankM, will apply for the Admission to Trading on 15 April 2026.

D.3 – Why is this Prospectus being Produced?

<i>Reasons for the Offering and the Admission to Trading</i>	The Company intends to pursue the Offering and the Admission to Trading to use the net proceeds from the sale of the New Shares in order to finance and expand the business activities of the electrovac Group, particularly in Thailand, China, and the United States, while also gaining access to the capital markets. The Selling Shareholder intends to pursue the Offering to receive the net proceeds from the sale of the Selling Shares.
<i>Net Proceeds</i>	Approximately EUR 28.8 million (rounded) attributable to the Company and approximately EUR 6.9 million (rounded) attributable to the Selling Shareholder (assuming completion of the Offering at the mid-point of the Price Range and full exercise of the Greenshoe Option).
<i>Use of Proceeds</i>	Assuming the Company would receive net proceeds of approximately EUR 28.8 million (rounded) from the Offering, it intends to use the net proceeds under the Offering to finance and extend the operative business, in particular to expand business in the airbag igniter area by increasing the production capacity in Thailand, including a EUR 5.0 – 7.0 million investment to increase the production area at the existing site. In addition, the electrovac Group plans to strengthen its presence in China through a EUR 5.0 – 7.0 million investment aimed at moving closer to customers and initiating production of igniter headers, and A second focus is on the transfer and application of the electrovac Group's highly efficient production technology to local US manufacturing, primarily by securing local access to licenses, facilities and production capabilities. For this purpose, at least EUR 10.0 – 14.5 million of the capital increase is allocated, which may be achieved through a strategic partnership or, if appropriate, the selective acquisition of a local company in the electronic packaging sector.
<i>Underwriting Agreement</i>	On 15 April 2026, the Company, the Selling Shareholder and the Joint Underwriters entered into an underwriting agreement pursuant to which the Joint Underwriters have undertaken to acquire the Offered Shares with a view to offering them to investors in the Offering, subject to certain conditions, in particular the execution of a pricing agreement.
<i>Conflict of Interest</i>	With the exception of the interest of the Company and the Selling Shareholder in the proceeds from a successful Offering, the commission for the Joint Underwriters and the IPO bonus payable to the members of the Management and Supervisory Board, there are no conflicting interests with respect to the Offering or the Admission to Trading.

2. GERMAN TRANSLATION OF THE SUMMARY (ZUSAMMENFASSUNG)

A. – Einleitung und Warnhinweise

Dieser Prospekt (der „**Prospekt**“) bezieht sich auf Aktien der electrovac AG (die „**Gesellschaft**“, der „**Emittent**“ und zusammen mit ihren direkten und indirekten Tochtergesellschaften die „**electrovac-Gruppe**“), Anglstraße 4, 94121 Salzweg, Deutschland, Rechtsträgerkennung (Legal Entity Identifier, „**LEI**“) 5299008TJ4LODTQQNQ85, www.electrovac.com, wobei jede dieser Aktien die Internationale Wertpapierkennnummer (International Securities Identification Number „**ISIN**“) DE000A420ZL4 hat (jede Aktie der Gesellschaft eine „**Aktie**“ und zusammen die „**Aktien**“).

Die Aktien werden von der Gesellschaft zusammen mit der BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Deutschland, LEI 5299001H21LR9DLCC127 („**BankM**“) und B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main, Deutschland, LEI 529900I0G1ENLW4SUU53 („**Metzler**“, zusammen mit BankM jeweils einzeln „**Joint Global Coordinator**“, „**Joint Lead Manager**“, „**Emissionsbank**“ und „**Joint Bookrunner**“ und gemeinsam „**Joint Global Coordinators**“, „**Joint Lead Managers**“, „**Emissionsbanken**“ und „**Joint Bookrunners**“) angeboten.

Die Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland, www.bafin.de, hat diesen Prospekt am 15. April 2026 als zuständige Behörde gemäß der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 über den Prospekt, der beim öffentlichen Angebot von Wertpapieren oder bei deren Zulassung zum Handel auf einem geregelten Markt zu veröffentlichen ist, und zur Aufhebung der Richtlinie 2003/71/EG (in ihrer jeweils gültigen Fassung) genehmigt.

Diese Zusammenfassung sollte als Prospektinleitung verstanden werden. Anleger sollten sich bei jeder Entscheidung, in die Aktien zu investieren, auf diesen Prospekt als Ganzes stützen. Anleger könnten ihr investiertes Kapital ganz oder teilweise verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die diese Zusammenfassung samt etwaiger Übersetzungen vorbereitet haben, und dies auch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die wesentlichen Informationen vermittelt, die für die Anleger eine Entscheidungshilfe bei der Zeichnung der Aktien darstellen würden.

B. – Wesentliche Informationen über den Emittenten

B.1 – Wer ist der Emittent der Wertpapiere?

Sitz und geltendes Recht – Die electrovac AG hat ihren Sitz in Salzweg, Deutschland, und die LEI 5299008TJ4LODTQQNQ85. Die Gesellschaft ist nach dem Recht der Bundesrepublik Deutschland in Form einer deutschen Aktiengesellschaft („**AG**“) gegründet. Als deutsche AG unterliegt die Gesellschaft deutschem Recht.

Haupttätigkeiten — Die electrovac AG ist die Holdinggesellschaft einer mittelständischen, weltweit tätigen Unternehmensgruppe mit mehr als 75 Jahren Erfahrung in der Entwicklung und Herstellung von hermetisch verschlossenen Glas-Metall-Bauteilen. Zu den Kernkompetenzen der electrovac-Gruppe zählen die Glas-Metall-Verbindungstechnik, gestanzte, umgeformte und bearbeitete Metallteile, die Herstellung von Glasformteilen und die Galvanotechnik. Die electrovac-Gruppe betreibt vier Produktionsstätten in

Deutschland, Österreich und Thailand und unterhält weitere Vertriebsniederlassungen in Frankreich, Japan und den Vereinigten Staaten und beliefert weltweit mehr als 250 Kunden.

Die electrovac-Gruppe liefert maßgeschneiderte Lösungen, die von Nischenprodukten in Kleinserien bis hin zur Großserienfertigung reichen, und produziert fast ausschließlich kundenspezifische Produkte, wobei die grundlegenden Produktdesigns in der Regel vom Kunden bereitgestellt werden.

Die electrovac-Gruppe ist in drei Geschäftsbereichen tätig: Personensicherheit („**Personal Safety**“), Luft- und Raumfahrt sowie Verteidigung („**Aerospace and Defense**“) und Sonstige Mobilität und Industrie („**Other Mobility and Industry**“).

- Der Geschäftsbereich Personal Safety konzentriert sich auf die Entwicklung kundenspezifischer hermetischer Gehäuse zur Einkapselung von explosiven Stoffen. Diese wesentlichen, sicherheitskritischen und gesetzlich vorgeschriebenen Komponenten werden vor allem in Airbagsystemen, Gurtstraffern und anderen Sicherheitsanwendungen im Automobilbereich eingesetzt. Der Geschäftsbereich Personal Safety umfasst zwei Hauptproduktgruppen: Airbag-Anzündersockel und bei Gurtstraffern verwendete Kontaktstifte. Die in Airbag-Anzündersockeln verwendeten Glas-Metall-Dichtungen schützen die Zündladung und gewährleisten eine zuverlässige Leistung auch unter anspruchsvollen thermischen und mechanischen Bedingungen. Die zweite Produktgruppe, hochpräzise Kontaktstifte, ergänzt dieses Portfolio und wird in einer Vielzahl von Anwendungen eingesetzt, darunter auch bei Gurtstraffern.
- Im Geschäftsbereich Aerospace and Defense werden die Glas-Metall-Verbindungen der electrovac-Gruppe in der zivilen und militärischen Luftfahrt, in Satellitenprogrammen, Raketenabwehrsystemen und ausgewählten Munitionstypen eingesetzt. Diese Komponenten schützen Sensoren und mikroelektronische Bauteile vor rauen Umgebungsbedingungen wie extremen Temperaturschwankungen, Feuchtigkeit, Verunreinigungen, hohem Druck und Vibrationen. Die electrovac-Gruppe liefert auch spezielle hybride hermetische Gehäuse, die in der Satellitentechnologie und in Verteidigungsanwendungen benötigt werden, bei denen die Datenübertragung direkt durch das Gehäuse erfolgt.
- Der Geschäftsbereich Other Mobility and Industry umfasst Anwendungen im Automobilsektor sowie in verschiedenen industriellen Märkten. Im Automobilbereich sind die Hauptprodukte Getriebesteuerungsmodule und Sensorgehäuse. In anderen Branchen gehören zu den wichtigsten Produkten hermetisch abgeschlossene Gehäuse und Sockel für Drucksensoranwendungen, die in der chemischen Industrie, der Hydraulik, in Fertigungsprozessen, der Automatisierung, in Druckerhöhungspumpen und Klimaanlage zum Einsatz kommen.

Hauptanteilseigner – Zum Datum dieses Prospekts hält die Electrovac Holding AG 75,25% der Aktien und Christoph und Michael Beutlhauser jeweils 12,375% der Aktien (die Electrovac Holding AG sowie Christoph und Michael Beutlhauser werden auch als „**Bestehende Aktionäre**“ bezeichnet). 66,66% der Aktien der Electrovac Holding AG werden von der bcm invest GmbH gehalten, deren Anteile wiederum zu jeweils 50% von Christoph und Michael Beutlhauser gehalten werden. Robert Wernsdorfer hält 25% direkt an der Electrovac Holding AG und 8,34% der Aktien über die GaLa Verwaltungs GmbH, deren Anteile zu 100% Robert Wernsdorfer gehören.

Beherrschende Aktionäre – Zum Zeitpunkt der Veröffentlichung dieses Prospekts wird die Gesellschaft vom Vorstand der Electrovac Holding AG beherrscht. Nach Abschluss des Angebots und unter der Annahme, dass alle 3.840.000 neuen Aktien und 300.000 Verkaufsaktien platziert werden, wird die Electrovac Holding AG 55,32% der Aktien halten und somit weiterhin die Kontrolle ausüben. Falls auch alle 621.000 Mehrzuteilungsaktien platziert werden, wird die

Electrovac Holding AG 51,43% der Aktien halten, was weiterhin eine Kontrollmehrheit bedeuten würde.

Vorstand – Der Vorstand des Emittenten besteht aus Dieter Thumfart.

Abschlussprüfer – Der Abschlussprüfer der Gesellschaft ist die BDO AG Wirtschaftsprüfungsgesellschaft mit Sitz in Hamburg, die über ihre Niederlassung in München tätig ist.

B.2 – Was sind die wichtigsten Finanzinformationen über den Emittenten?

Die in den folgenden Tabellen enthaltenen Finanzinformationen stammen aus den geprüften Konzernabschlüssen der electrovac-Gruppe nach IFRS zum 31. März für die Geschäftsjahre 2023, 2024 und 2025 („**Geprüfte Konzernabschlüsse**“) sowie aus dem Zwischenkonzernabschluss der electrovac-Gruppe gemäß IFRS für den Zeitraum vom 1. April 2025 bis zum 31. Dezember 2025 („**Ungeprüfter Zwischenkonzernabschluss**“). Alle in den nachstehenden Tabellen dargestellten Finanzinformationen sind, soweit nicht anders angegeben, in Tausend Euro (TEUR) angegeben. Bestimmte Finanzinformationen wurden kaufmännisch gerundet.

Wichtige Finanz- und Betriebsdaten

	Für den Neunmonatszeitraum zum 31. Dezember	Für das Geschäftsjahr zum 31. März		
Werte in TEUR ¹	2025 ungeprüft	2025 geprüft ¹	2024 geprüft ¹	2023 geprüft ¹
Gesamtumsatz	85.934	98.163	87.616	85.249
Betriebsergebnis	10.521	9.109	4.414	5.726
Jahresüberschuss	7.180	5.183	1.924	3.232
Ergebnis pro Aktie in EUR ²	14,36	10,37	3,85	6,46
Umsatzwachstum im Periodenvergleich ³ (ungeprüft)	21,0%	12,0%	2,8%	10,3%

Ausgewählte Daten aus der konsolidierten Bilanz

	Zum 31. Dezember	Für das Geschäftsjahr zum 31. März		
Werte in TEUR	2025 ungeprüft	2025 geprüft	2024 geprüft	2023 geprüft
Summe Aktiva	92.077	87.239	80.643	80.711
Eigenkapital	49.348	44.601	39.522	38.330
Summe Verbindlichkeiten	42.729	42.638	41.122	42.381

¹ soweit nicht anders angegeben

² Die Zahlen basieren auf der Anzahl von 500.000 Aktien vor der im Januar 2026 erfolgten Erhöhung des Grundkapitals der Gesellschaft auf 12.160.000 Aktien

³ Nur für den Wert für den am 31. Dezember 2025 endenden Neunmonatszeitraum: Im Vergleich zur Periode 01.04. – 31.12.2024

Ausgewählte Daten aus der Konzern-Kapitalflussrechnung

	Für den Neunmo- natszeitraum zum 31. Dezember	Für das Geschäftsjahr zum 31. März		
Werte in TEUR	2025 ungeprüft	2025 geprüft	2024 geprüft	2023 geprüft
Netto-Cashflow aus betrieblicher Tätigkeit	4.823	9.416	9.456	6.218
Cashflow aus Investitionstätigkeit	-2.360	-4.820	-4.976	-5.565
Cashflow aus Finanzierungstätigkeit	-1.763	-5.500	-2.227	-1.009
Zahlungsmittel und Zahlungsmitteläquivalente zu Beginn der Periode	1.588	-3.072	-5.325	-4.969
Zahlungsmittel und Zahlungsmittel-äquivalente am Ende der Periode	2.288	-3.976	-3.072	-5.325

* Per 31. Dezember 2025 werden Kontokorrentsalden im Cashflow aus Finanzierungstätigkeit gezeigt statt in der Position Zahlungsmittel und Zahlungsmitteläquivalente.

B.3 – Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?

- Geopolitische Konflikte und eine negative Entwicklung der weltweiten Gesamtwirtschaftslage oder der wichtigsten Absatzmärkte des Emittenten können sich nachteilig auf die Geschäftstätigkeit der electrovac-Gruppe auswirken.
- Die politischen und regulatorischen Rahmenbedingungen in einigen Ländern, in denen die electrovac-Gruppe oder ihre Kunden tätig sind, unterscheiden sich erheblich von denen in Europa, und setzen die electrovac-Gruppe Unsicherheiten in einem weniger vertrauten Umfeld aus.
- Betriebsstörungen oder längere Produktionsausfälle können dazu führen, dass die electrovac-Gruppe ihre Produkte nicht rechtzeitig oder gar nicht liefern kann, was zu Umsatzverlusten und einer erhöhten Unzufriedenheit der Kunden führen kann.
- Der Emittent könnte Schwierigkeiten haben, die Führungskräfte der electrovac-Gruppe zu halten oder angemessen zu ersetzen.
- Die electrovac-Gruppe ist auf komplexe IT-Systeme und Netzwerke angewiesen, die in der Regel anfällig für Störungen oder Fehlfunktionen sind oder die Ziel von Hackern oder Saboteuren werden könnten.
- Außenhandelsbarrieren wie Wirtschaftssanktionen gegen bestimmte Länder, Organisationen und Personen sowie Exportkontrollen und Zöllen können sich auf die Produktions- und Vertriebskapazitäten der electrovac-Gruppe auswirken.
- Mängel und Qualitätsprobleme der Produkte der electrovac-Gruppe können zu Produktrückrufen, Produkthaftungs- und Gewährleistungsansprüchen sowie anderen nachteiligen Reaktionen von Kunden und Aufsichtsbehörden führen.
- Die electrovac-Gruppe unterliegt komplexen regulatorischen Rahmenbedingungen. Die Nichteinhaltung dieser Vorschriften kann zu Geldstrafen, Betriebsunterbrechungen und anderen nachteiligen Maßnahmen durch staatliche Aufsichtsbehörden führen.

- Die electrovac-Gruppe ist möglicherweise nicht in der Lage, ausreichende Cashflows zu generieren oder zusätzliche Mittel zur Finanzierung ihrer Geschäftstätigkeit zu beschaffen.
- Die electrovac-Gruppe ist Wechselkursrisiken ausgesetzt und geht davon aus, dass dies auch weiterhin der Fall sein wird.
- Die Bestehenden Aktionäre könnten ihre Interessen zum Nachteil der Interessen anderer Aktionäre durchsetzen.
- Es bestehen Steuerrisiken und mögliche Interessenkonflikte in Bezug auf Transaktionen mit nahestehenden Personen.

C. – Wesentliche Informationen über die Wertpapiere

C.1 – Welches sind die wichtigsten Merkmale der Wertpapiere?

Dieses Angebot (das „**Angebot**“) bezieht sich auf (a) 3.840.000 neu ausgegebene Aktien aus einer Kapitalerhöhung gegen Bareinlagen, die voraussichtlich von der Hauptversammlung der Gesellschaft am oder um den 27. April 2026 beschlossen wird, (die „**Neuen Aktien**“), (b) 300.000 bestehende Aktien (die „**Verkaufsaktien**“ und zusammen mit den Neuen Aktien die „**Platzierungsaktien**“) aus dem Bestand der Electrovac Holding AG (der „**Verkaufende Aktionär**“) und (c) bis zu 621.000 bestehende Aktien aus dem Bestand des Verkaufenden Aktionärs im Zusammenhang mit einer möglichen Mehrzuteilung (die „**Mehrzuteilungsaktien**“ und zusammen mit den Platzierungsaktien die „**Angebotsaktien**“). Die Gesamtzahl der Mehrzuteilungsaktien wird 15% der endgültigen Anzahl der im Rahmen des Angebots platzierten Platzierungsaktien nicht überschreiten. Die Aktien, einschließlich der Angebotsaktien, werden im Rahmen der Zulassung zum Handel (wie in C.2 definiert) zum Handel zugelassen.

Anzahl und Art der Aktien – Es sind 12.160.000 Aktien ausgegeben. Die Aktien sind Inhaberaktien ohne Nennwert (*Stückaktien*), wobei jede dieser Aktien einen Nominalwert von EUR 1,00 hat.

ISIN und Währung – Die ISIN der Aktien lautet DE000A420ZL4 und die Aktien sind in Euro denominiert.

Mit den Aktien verbundene Rechte und Übertragbarkeit – Die Aktien sind voll dividendenberechtigt. Jede Aktie gewährt eine Stimme in der Hauptversammlung der Gesellschaft. Die Aktien sind gemäß den gesetzlichen Bestimmungen für Inhaberaktien frei übertragbar.

Rang – Die Aktien sind im Falle einer Insolvenz der Gesellschaft allen anderen Wertpapieren und Forderungen nachrangig.

Dividendenpolitik – Vorbehaltlich des Vorhandenseins ausschüttungsfähiger Gewinne und ausschüttungsfähiger Mittel nach den deutschen Rechnungslegungsgrundsätzen des Handelsgesetzbuches strebt die Gesellschaft regelmäßig die Ausschüttung einer Dividende an.

C.2 – Wo werden die Wertpapiere gehandelt?

Die Aktien sollen zum Handel am *regulierten Markt* der *Frankfurter Wertpapierbörse* und gleichzeitig zu dessen Teilsegment mit zusätzlichen Zulassungsfolgepflichten (*Prime Standard*) zugelassen werden (die „**Zulassung zum Handel**“).

C.3 – Was sind die wesentlichen Risiken, die für die Wertpapiere spezifisch sind?

- Die Aktien wurden bisher nicht öffentlich gehandelt, und es kann nicht garantiert werden, dass sich ein liquider Markt für die Aktien entwickeln und aufrechterhalten wird.
- Es besteht Unsicherheit hinsichtlich der Kursentwicklung der Aktien. Der Aktienkurs kann aufgrund verschiedener Faktoren starken Schwankungen unterliegen.
- Zukünftige Verkäufe der Aktien durch die Bestehenden Aktionäre oder die Erwartung, dass solche Verkäufe stattfinden könnten, könnten den Kurs der Aktien nachteilig beeinflussen.

D. – Wesentliche Informationen zum Angebot der Wertpapiere und zur Zulassung zum Handel

D.1 – Unter welchen Bedingungen und zu welchem Zeitpunkt kann ich in dieses Wertpapier investieren?

Umfang des Angebots	Das Angebot besteht aus einem erstmaligen öffentlichen Angebot in Deutschland.
Preisspanne und angestrebter Erlös	Die Gesellschaft strebt einen Bruttoerlös von rund 34,6 Millionen Euro aus dem Verkauf der neuen Aktien an. Die Preisspanne, innerhalb derer Kaufaufträge abgegeben werden können, liegt zwischen 7,80 Euro und 10,20 Euro pro angebotener Aktie (die „ Preisspanne “).
Angebotszeitraum	17. April 2026 bis 27. April 2026 (der „ Angebotszeitraum “), wobei der Angebotszeitraum nicht vor der Veröffentlichung dieses Prospekts beginnt und verkürzt oder verlängert werden kann.
Angebotspreis	Der Angebotspreis wird voraussichtlich von der Gesellschaft und dem Verkaufenden Aktionär nach Abstimmung mit der Emissionsbank am 27. April 2026 festgelegt.
Greenshoe-Option	Zur Abdeckung einer möglichen Mehrzuteilung hat der Verkaufende Aktionär der BankM eine Option zum Erwerb von bis zu 621.000 Aktien zum Angebotspreis abzüglich vereinbarter Provisionen eingeräumt (die „ Greenshoe-Option “).
Zulassung zum Handel und Lieferung	Der Zulassungsbeschluss wird voraussichtlich am 29. April 2026 getroffen, und der Handel am <i>regulierten Markt</i> der <i>Frankfurter Wertpapierbörse</i> und gleichzeitig an dessen Untersegment mit zusätzlichen Zulassungsfolgepflichten (Prime Standard) wird voraussichtlich am 30. April 2026 beginnen. Die Lieferung der Angebotsaktien gegen Zahlung des Angebotspreises wird voraussichtlich am 30. April 2026 erfolgen.
Verwässerung für neue Aktionäre	EUR 4,12 pro Aktie oder 45,73% (unter der Annahme eines Angebotspreises im mittleren Bereich der Preisspanne).
Aufzinsung für Bestehende Aktionäre	EUR 0,83 pro Aktie oder 20,35% (unter der Annahme eines Angebotspreises im mittleren Bereich der Preisspanne)
Gesamtkosten	Rund EUR 7,2 Millionen, davon EUR 5,8 Millionen zu zahlen durch die Gesellschaft und EUR 1,4 Millionen durch den Verkaufenden Aktionär (unter der Annahme eines Angebotspreises im mittleren Bereich der Preisspanne, der Platzierung der maximalen Anzahl der Platzierungsaktien und der vollständigen Ausübung der Greenshoe-Option).
Den Anlegern in Rechnung gestellte Kosten	Ausschließlich übliche Transaktions- und Bearbeitungsgebühren, die von den Brokern der Anleger erhoben werden.

D.2 – Wer sind die Anbieter und wer beantragt die Zulassung zum Handel?

Anbieter	Neben der Gesellschaft werden die Angebotsaktien von der BankM AG, einer Aktiengesellschaft, die nach deutschem Recht gegründet wurde und ihren Sitz in Frankfurt am Main hat, und von B. Metzler seel. Sohn & Co. Aktiengesellschaft Metzler, einer Aktiengesellschaft, die nach deutschem Recht gegründet wurde und ihren Sitz in Frankfurt am Main hat, angeboten.
Zulassung zum Handel	Die Gesellschaft wird zusammen mit BankM die Zulassung zum Handel am 15. April 2026 beantragen.

D.3 – Warum wird dieser Prospekt erstellt?

Gründe für das Angebot und die Zulassung zum Handel	Die Gesellschaft beabsichtigt, das Angebot und die Zulassung zum Handel durchzuführen, um die Nettoerlöse aus dem Verkauf der Neuen Aktien zur Finanzierung und Erweiterung der Geschäftsaktivitäten der electrovac-Gruppe insbesondere in Thailand, China und den USA zu verwenden und gleichzeitig Zugang zu den Kapitalmärkten zu erhalten. Der Verkaufende Aktionär beabsichtigt, das Angebot durchzuführen, um den Nettoerlös aus dem Verkauf der Verkaufsaktien zu erhalten.
Nettoerlös	Rund EUR 28,8 Millionen (gerundet) entfallen auf die Gesellschaft und etwa EUR 6,9 Millionen (gerundet) auf den Verkaufenden Aktionär (unter der Annahme, dass das Angebot zum Mittelwert der Preisspanne abgeschlossen wird und die Greenshoe-Option vollständig ausgeübt wird).
Zweckbestimmung der Erlöse	Unter der Annahme, dass die Gesellschaft aus dem Börsengang einen Nettoerlös von rund 28,8 Millionen Euro (gerundet) erzielen würde, beabsichtigt sie, den Nettoerlös aus dem Börsengang zur Finanzierung und Erweiterung des operativen Geschäfts zu verwenden, insbesondere zum Ausbau des Geschäfts im Bereich Airbag-Zünder und Erhöhung der Produktionskapazität in Thailand, einschließlich einer Investition in Höhe von 5,0 – 7,0 Millionen Euro zur Vergrößerung der Produktionsfläche am bestehenden Standort. Darüber hinaus plant die electrovac-Gruppe, ihre Präsenz in China durch eine Investition in Höhe von 5,0 – 7,0 Millionen EUR zu stärken, um näher an ihren Kunden zu sein und vor Ort Anzündersockel herzustellen. Ein zweiter Schwerpunkt liegt auf dem Einsatz der hocheffizienten Produktionstechnologie der electrovac-Gruppe in einer lokalen Fertigung in den USA. Zu diesem Zweck sind mindestens 10,0 bis 14,5 Millionen Euro vorgesehen für eine strategische Partnerschaft oder die gezielte Übernahme eines lokalen Unternehmens im Bereich der Verpackung von elektronischen Bauteilen.
Übernahmevertrag	Am 15. April 2026 haben die Gesellschaft, der Verkaufende Aktionär und die Emissionsbanken einen Übernahmevertrag geschlossen, wonach sich die Emissionsbanken verpflichtet haben, die Angebotsaktien zu erwerben, um sie den Anlegern im Rahmen des Angebots anzubieten, vorbehaltlich des Abschlusses einer Preisvereinbarung und weiterer Bedingungen.
Interessenkonflikte	Mit Ausnahme der Beteiligung der Gesellschaft und des Verkaufenden Aktionärs an den Erlösen aus einem erfolgreichen Angebot, der Provision für die Emissionsbanken und des an die Mitglieder des Vorstands und des Aufsichtsrats zu zahlenden IPO-Bonus bestehen keine Interessenkonflikte in Bezug auf das Angebot oder die Zulassung zum Handel.

3. RISK FACTORS

When making a decision to buy shares in electrovac AG, Salzweg (hereinafter referred to as "**electrovac AG**", the "**Company**", the "**Issuer**" or, together with its subsidiaries, as a consolidated company, the "**electrovac Group**"), investors should carefully read and consider the following risk factors in conjunction with the other information contained in this Prospectus.

An investment in the shares of the Company (the "**Shares**") is subject to risks. In considering whether to invest in the Shares, investors should carefully consider the following risks in this Prospectus. According to Article 16 of the Prospectus Regulation (as supplemented by Commission delegated Regulation (EU) 2019/980 and Commission delegated Regulation (EU) 2019/979), on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended, the risk factors featured in a prospectus must be limited to risks which are specific to the issuer and/or to the securities and which are material for taking an informed investment decision. Therefore, the following risks are only those risks that are specific to the electrovac Group and to the Shares and, based on the Company's current assessment, material for making an informed investment decision. Additional risks and uncertainties, which are not currently known to the Company, could likewise affect electrovac Group's business operations and have detrimental effects on the Company's assets and its financial and profit situation.

The following risk factors are separated into categories based on their respective nature. Within each such category, the order of risk factors is based on the Company's current assessment with respect to the probability of occurrence and expected magnitude of the negative impact of such risk factors. In each category, the two most material risk factors are mentioned first according to the current assessment based on the probability of their occurrence and the expected magnitude of their negative impact. The risks mentioned may materialize individually or cumulatively.

3.1 Risks related to Markets and Industry

3.1.1 Geopolitical conflicts and a negative development of the overall economic situation worldwide or in the Company's key sales markets may adversely affect the business activities of the electrovac Group.

The Company's most important sales market with a share of around 60% of revenues is Europe, followed by Asia with a share of around 25% and the USA with a share of around 15%. Customers, in turn, need the products supplied by the Company to manufacture products that are sold worldwide. This is particularly true for the Personal Safety business, which accounts for around 50% of the sales of the electrovac Group. Future demand for the products manufactured by the electrovac Group is therefore significantly impacted by the overall economic and political situation worldwide, especially in the automotive industry. Unfavourable global or regional economic conditions, including, among others, volatility in financial markets, fluctuations in interest and inflation rates, reductions in government spending, shifts in trade policy such as tariffs or other restrictions, supply chain disruptions, labour shortages, changes in consumer spending as well as special factors such as natural disasters and other events of force majeure could adversely affect demand for the products of the electrovac Group. For example, the electrovac Group was also affected by the blockage of the Suez canal in March 2021 which resulted in delayed deliveries to its customers.

Uncertainty caused by economic crises or political conflicts such as the Russia-Ukraine war, the conflict in the Middle East as well as related sanctions or trade restrictions, declining individual real incomes and/or a lack of favourable financing possibilities have a direct effect on the willingness of consumers to buy new cars or other goods in which the electrovac Group's products are found. Import restrictions in sales markets in which the electrovac Group and/or its customers cannot produce lead to a decline in sales. Furthermore, exchange rate fluctuations could have a significant impact on the import and export of the electrovac Group's products worldwide. For example, during periods of economic uncertainty, the electrovac Group's customers in the Personal Safety area (or their customers) tend to reduce their production of vehicles (or vehicle components) and other industrial goods and may delay payments for the electrovac Group's products, default on payments or cancel orders. Moreover, an economic downturn or worsening economic conditions could result in disruptions in the supply of raw materials and components which the electrovac Group requires to manufacture its products.

While certain geopolitical conflicts have increased demand for the electrovac Group's Aerospace and Defense products, this additional demand may not offset the risks arising from such events. In particular, these conflicts may lead to unfavourable developments in important markets, including the imposition of sanctions and the occurrence of energy shortages. The electrovac Group is accordingly exposed and hence also vulnerable to these conflicts. Global conflicts and political tensions may continue to cause significant supply chain disruptions and can lead to the unavailability of certain critical components or raw materials for its products. For example, the electrovac Group relies on the supply of more than 100 million rings for igniter sockets annually from a Taiwanese supplier for use in its products and an escalation in tensions between Taiwan, China and the US could affect supply chains going to and from Taiwan, thus leading to delays or an inability to source those components. Any escalation of tensions or conflict between China and Taiwan could result in significant supply chain disruptions or restrictions on exports from Taiwan. Such developments could adversely affect the electrovac Group's ability to maintain efficient operations and deliver its products to its customers in time or at all. The occurrence of political or military conflicts may also necessitate the use of alternative, and potentially more costly or time-consuming delivery routes, further impacting its supply chain and other operational capabilities. As a result, any of these disruptions could materially affect the business, financial condition, and results of operations of the electrovac Group.

Additionally, a global trend towards nationalism and protectionist trade policies, along with trade disputes and tensions between the US, the EU, China, and other countries on trade barriers, could further adversely affect the macro-economic environment (see Section 3.3.1 *"Foreign trade barriers such as economic sanctions against certain countries, organizations and persons as well as export controls and tariffs could affect the electrovac Group's ability to produce, market and sell its products."*). Protective measures favouring domestic companies in certain markets, the introduction of further export requirements, tariffs, taxes, and other restrictions and charges, as well as more burdensome certification processes and requirements in particular in the Aerospace and Defense area, such as the increasing demands from US and other customers to only source components from US or European suppliers, could increase the prices of products which could adversely affect the electrovac Group's ability to operate competitively in these markets. Additionally, it may need to reorganize certain parts of its operations to ensure compliance with such measures, incurring additional costs, and any potential reorganization efforts may not be successful. Any further trend towards protectionist trade policies and the introduction of additional protective measures, including trade disputes, could affect its access to key markets, supply

chains, as well as the demand and pricing of its products, and could have a material adverse effect on the business, results of operations and cash flow of the electrovac Group.

These constantly changing economic and political factors are beyond the Company's control. Accordingly, the Company must continuously monitor and reassess the above factors and make appropriate business decisions. A deterioration in the overall economic situation and the resulting decline in demand for the Company's products or an incorrect assessment of the future political developments and the resulting impact on the Company - even an unexpectedly positive market development for which competitors are better prepared - could have a negative impact on the Company's performance.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.1.2 The political and regulatory conditions in some of the countries in which the electrovac Group or its customers operate differ materially from those in Europe, exposing the electrovac Group to uncertainties in less familiar environments.

Conflicts, military action and terrorist attacks have precipitated economic instability and turmoil in the economies of some of the key markets in which the electrovac Group or its customers operate. Instability and turmoil in those countries may lead to plant disruptions at facilities in which the electrovac Group manufactures its products or an inability of its customers to use its products at their facilities.

The electrovac group includes a production company in Thailand. While Thailand is formally ruled by a civilian-led government, the military continues to exert substantial influence over the country's political framework. Laws and regulations can be very different from Europe and penalties for offences can be severe. Thailand has experienced regional security incidents and periodic unrest including incidents of arson, bombings and shootings. Moreover, tensions remain elevated following a recent border conflict between Thailand and Cambodia. Heightened security measures, transport disruptions, port congestion, or curfews could impair the electrovac Group's ability to obtain raw materials, access labor, disrupt production schedules, delay exports and increase operating costs.

China today is the biggest sales market for cars and no automotive production market has grown faster than China, which now produces more cars and commercial vehicles than the United States, Japan and Germany combined. A relative slowdown in the country's economic development, caused by trade disagreements with the United States, volatility in stock markets or economic or political conflicts involving neighbouring countries, may lead to an economic downturn or even a recession, which, in turn, could affect the global economy as a whole. China is also one of the most important markets for the electrovac Group's Personal Safety applications, including components used in airbags. Sales in the Chinese market are steadily increasing and accounted in FY 23/24 for approximately 18%, in FY 24/25 for 21% and in FY 25/26 (after 9 months) for 27% of its consolidated net sales, respectively. The Company is planning to set up a production plant in China by 2027 in order to be closer to its customers. The Chinese government's industrial policies, including localization incentives, local content preferences, standards and certification requirements, and sectoral subsidies, may favour domestic suppliers or require redesign, additional testing, or local value add, thereby increasing costs and lengthening qualification timelines. Economic slowdowns or policy-driven adjustments in China

could reduce customer demand or delay investment programs. Furthermore, geopolitical and trade tensions affecting China (including with the United States or other trading partners) may result in new or increased tariffs, import restrictions, export controls, or informal administrative measures (such as enhanced inspections), any of which could reduce market access, delay deliveries, or compress margins of the electrovac Group.

China is also an important procurement country for the electrovac Group. For example, the electrovac Group currently procures machined parts from two suppliers in China mainly for sensors used for the Other Mobility and Industry business and in the field of Aerospace and Defense. Future regulatory actions in China that prioritize domestic production or restrict imports of critical components or the export of required raw materials and semi-finished products could require the electrovac Group to adjust its supply chain, invest in local capabilities, or accept lower volumes or prices.

With regard to the US market, the electrovac Group may be affected by changes in US trade and industrial policy, including tariffs, export controls, subsidies and other protectionist measures directed at the European Union, as well as related retaliatory actions by the EU. The US administration has repeatedly adjusted and expanded trade measures that affect EU-origin goods and inputs, and has intensified the use of sector-specific tools such as anti-dumping/countervailing duties and Buy American/reshoring initiatives, and tightened national-security reviews. These actions can restrict market access and alter competitive dynamics for EU companies selling into, sourcing from, or partnering with US counterparties. The aerospace and defense sectors are particularly exposed to these developments. US authorities have increased scrutiny and control of cross-border trade in dual-use items and defense-related technologies, including more stringent export-licensing requirements and expanded lists of controlled components and software. Policy shifts, procurement preferences, and industrial subsidies in the US may favor domestic manufacturers and US supply chains, potentially disadvantaging foreign companies without production in the US.

Each of the aforementioned circumstances, individually or in combination, could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.1.3 The electrovac Group currently faces competition in the Personal Safety Business from established competitors and expects to face competition also from other companies in the future. It may not be successful in increasing or may even lose its overall market share in the Personal Safety business.

The electrovac Group considers itself one of the top suppliers of hermetically sealed glass-to-metal components globally and currently faces competition from few relevant players in the Personal Safety business, its core business area. As a supplier of hermetic packages (so called glass-to-metal seals), the electrovac Group supplies customers with glass seals for various industry applications like airbag igniters, seatbelt pretensioners and different types of pyro fuses.

Although there is only one major competitor today in the production of airbag igniter headers, Schott AG, and entry barriers in this business area exist, the Company expects to see new competitors from Asia and especially from China in the future. Despite the interest of customers to reduce dependency on Schott AG as the dominant player in this specific market, Schott AG

may respond and alter market parameters which the electrovac Group as smaller player may not be able to fully address.

In particular, the electrovac Group cannot exclude that its current and potential competitors in the Personal Safety area will not have significantly greater financial, manufacturing, marketing and other resources than it does and may be able to devote more resources to the design, development, manufacturing, distribution, promotion and sale of these products. Some of its competitors may have a more extensive customer base than it does. In addition, some of the companies may have longer operating histories and greater brand recognition than the electrovac Group does. Its competitors may be in a stronger position to respond quickly to new technologies and may be able to design, develop and sell their products more effectively.

While the electrovac Group attempts to offset these factors by developing innovative solutions and regularly introducing new products, by diversifying its markets and by increasing efficiency in manufacturing in order to maintain or improve its competitive position, the business of the electrovac Group may be materially adversely affected if its customers fail to acknowledge the quality and added value of its products, particularly when compared to those of its competitors or if they do not match their expectations.

In addition, the electrovac Group is exposed to intense pricing pressure from both competitors and customers seeking to minimize their own manufacturing costs. If the electrovac Group is not able to offset these pricing pressures through the production of greater volumes of products, the development of solutions which are less easily replaceable through a combination of several products or lower production costs, it may prove more difficult for the electrovac Group to win new customers or maintain relationships with existing customers.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.1.4 The electrovac Group currently faces competition from various established competitors in the Aerospace and Defense business and expects to increasingly face more competition in this area in the future.

The electrovac Group is currently supplying specialized hybrid packages and sensor systems for military, aviation and satellite applications mainly to European customers. Future growth is expected in Europe and also in the United States and other international markets.

While the rearmament by NATO member states due to the geopolitical situation and the rapid developments with respect to aircrafts and satellites drives demand in the aerospace and defense sector, the market remains characterized by factors such as technological advancements, established competitors with track records and industry relations, high demands on product quality and features, and pricing. The electrovac Group is accordingly operating in a challenging and dynamic market environment, with the risk of not catching up or falling behind competitors. These competitors are mostly large and well-established corporations and include among others AMETEK, Egide and Schott.

These competitors may develop and market new products or services that offer superior features, are more reliable, or can be supplied at higher numbers or at lower costs. Competitors might also have better access to customers e.g. due to more-established customer relationships, identify customer needs before the electrovac Group or operate with more effective R&D efforts. These

risks could be exacerbated if the competitors have greater financial, technical, marketing, or other resources available. Competitors who launch and sell products at lower prices and commercialize them more broadly will therefore be able to attract price-sensitive customers. Existing and future customers of the electrovac Group often have business relationships with these competitors. While the electrovac Group relies on maintaining and expanding its technological leadership through continuous development of new and improved products and services, it may not be able to adequately responding to specific customer needs, product issues or safety alerts, all of which are essential for its future business success in the Aerospace and Defense business.

Failure to meet these challenges may adversely affect the market position and results of operations of the electrovac Group and thus that of the Company.

3.1.5 The electrovac Group's market position could be adversely affected by the development of alternative technologies and products for which its products are no longer required or by customers starting to manufacture these components themselves.

The electrovac Group's success depends on its ability to recognize market trends and technological changes and to develop new and improved products in a timely manner. The electrovac Group currently specializes in the field of glass-metal sealings. It cannot be ruled out that technological advances will benefit other technologies. For example, the ongoing development of autonomous driving could lead to changes in requirements and techniques in safety-relevant areas such as airbag igniters and seatbelt tensioners. Moreover, the further growth in market share of electrical cars could make the use of packages for control units for automated transmission systems obsolete or less relevant. The electrovac Group currently achieves a substantial revenue with the corresponding products. There can be no assurance that the electrovac Group will be able to develop and launch new products in a timely manner to offset potential losses in sales resulting from technological changes in the market. Nor can it be guaranteed that products or technologies developed by others will not render the electrovac Group's offerings obsolete or uncompetitive, or that customers will not replace the electrovac Group's products with competing products or alternative technology. There can also be no assurance that the patents and other IP rights of the electrovac Group will provide it with a significant advantage over its competitors, as these competitors could independently develop technology that may prove to be comparable or superior to the technology of the electrovac Group. In fact, some of its competitors have larger R&D departments and spend significantly more resources on research and development than the electrovac Group.

In addition, the insourcing of the electrovac Group's technologies by major customers or new market players may lead to a loss of orders, thus reducing the electrovac Group's market share and revenues.

The Company's assumptions on political developments and trends can significantly affect its business decisions. For example, the electrovac Group's future product portfolio assumes a steady increase in spending in the defense and related sectors, resulting in higher demand for its products. Germany's defense spending is expected to reach EUR 153 billion, or 3.5% of GDP by 2029¹. However, the Company's assumptions may prove to be incorrect. For example, with respect to the use of sensors in military equipment, there is limited reliable data available.

¹ Politico, Germany's Rearmament

Incorrect assumptions could therefore adversely affect the electrovac Group's revenues as it may not adequately address market demand with its product offerings.

The occurrence of any of these risks could adversely affect the demand for the electrovac Groups's products, its competitiveness and market share, and could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2 Risks related to Business Activities

3.2.1 Operational disruptions or lengthy periods of production downtime may prevent the electrovac Group from delivering its products on time or at all, leading to a loss of revenue and increased customer dissatisfaction.

The electrovac Group currently has production plants in Germany, Austria and Thailand, and has plans for further production sites in China and the USA. Operational disruptions or lengthy periods of production downtime affecting the delivery of the electrovac Group's products as a result of unanticipated failures, damages and losses (caused by fires, accidents, human error, natural disasters, pandemic, environmental damage, floods, wars, terrorism, supply shortage, strikes, faulty equipment, severe weather or other disruptions of its production and/or delivery processes or within its supply chain with respect to customers and suppliers), the unavailability of service components at individual sites or otherwise would negatively affect the electrovac Group. The downtime of certain machines can result in a production downtime of a facility which can jeopardize the electrovac Group's ability to fulfil customer orders or meet deadlines. Such disruption could also lead to significant unplanned capital expenditures for repairs or replacement equipment, and may expose the electrovac Group to reduced turnover, significantly higher operating costs and potential liability towards customers. For example, the leased property in Klosterneuburg, Austria, is located in an extended flood zone and while the plants in Salzweg, Germany, are not directly at risks of flooding, there had been a temporary water shortage due to flooding in nearby Passau in 2013 which also affected production at the German sites.

While the electrovac Group has implemented various safety measures at its sites to ensure an uninterrupted production, it cannot be excluded that business interruptions will occur at one or more of its sites. The electrovac Group may not have sufficient excess capacity at its other manufacturing sites, nor may the insurance coverage be sufficient to compensate for such business disruptions. Any delays or even complete failure to manufacture and deliver its products may result in some customers deciding to source alternative products from competitors, seeking price reductions or in some cases enforcing penalties, or cancel or suspend individual orders and bring damage claims against the electrovac Group. In addition to the corresponding loss of revenues and related costs, such disruption may also impact the reputation and brand of the electrovac Group (see Section 3.2.13 *"The electrovac Group is exposed to reputational risks, including as a result of adverse publicity or negative media coverage."*)

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.2 The Company may have difficulties to retain or adequately replace the senior management of the electrovac Group.

The electrovac Group's operations and business success depends to a large extent on its current senior management. In spite of existing incentives for the senior management (including bonus payments tied to the future results of the electrovac Group), there can be no assurance that the Company will be successful in retaining this small group of senior executives or finding successors with similar qualifications and / or at similar terms. The loss of the Company's Chief Executive Officer, Mr. Dieter Thumfart ("**CEO**") or any of the electrovac Group's other senior executives may impair its operations and business strategy and have a material and adverse effect on its business, financial condition, and results of operation.

Moreover, the electrovac Group has a decentralized management structure with managers based in Thailand, France or Japan, for example. As part of this decentralized management structure, the electrovac Group promotes decision-making at local and regional level. However, the electrovac Group may not be able to ensure that the best practices required to meet customer needs and legal requirements regarding quality and effectiveness are consistently applied across the electrovac Group, especially in production in Thailand and given the further expansion plans also in China and the USA. Given the scale of the electrovac Group's activities in Europe, America and Asia and the scope of its growth plans, it can be difficult to ensure that these best practices are properly applied and adopted at the local and regional level.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.3 The electrovac Group relies on complex IT systems and networks that are typically susceptible to disruption or malfunction, or that could be targeted by hackers or saboteurs.

The electrovac Group relies heavily on efficient information technology systems and networks, both globally and locally, to manage its operations and business processes (for example, to monitor its procurement, orders, product manufacturing, customer communication, staff management and the dissemination of information required by its managers for decision-making). These systems and networks are potentially vulnerable to damage or interruption from a variety of sources or to security threats such as computer viruses, unauthorized access, cyber-attacks, power outages and similar disruptions. For example, the electrovac Group is experiencing a growing number of CEO fraud and other attempts to breach its IT systems, and despite regular compliance trainings and other preventive measures it cannot be excluded that any such attempts may eventually be successful.

Cyber-attacks, in particular, have increased enormously in the past years as a result of increased hacker activity and caused material damage to companies and its customers by stealing sensitive data or causing working and product interruptions for lengthy periods at time. Cyber-attacks may also rise in connection with geopolitical conflicts such as the Russia-Ukraine War and tensions in the Middle East (see Section 3.1.1 "*Geopolitical conflicts and a negative development of the overall economic situation worldwide or in the Company's key sales markets may adversely affect the business activities of the electrovac Group.*"). These ongoing global conflicts and tensions have increased the risk of cyber-attacks on various types of infrastructure and operations, and the electrovac Group may be regarded as a target for cyber-attacks given the higher visibility after

the Admission to Trading and the expected increase of business in the Aerospace and Defense industry. Although the electrovac Group has taken precautions to manage its risks related to system and network disruptions, an extended outage in a data centre or telecommunications network utilized by its systems, any security breaches or any similar event could lead to an extended unanticipated interruption of its systems or networks thereby hindering its normal business operations including the ability to receive orders, complete deliveries or manufacture products, and also could lead to loss of customer data and know-how, which could significantly affect its business and reputation. Customers in particular in the Aerospace and Defense area increasingly demand specific IT security qualifications from their suppliers or enquire about compliance with the NIS2 EU Directive and other new regulations aiming at cybersecurity resilience. For example, the Austrian site of the electrovac Group is among the few players certified to provide critical equipment to the aviation industry (EN9100).

Disruptions or breaches to the Company's IT infrastructure and system landscape could also result from natural disasters, industrial accidents, criminal activity as well as other events beyond our control, including human error. The electrovac Group's IT disaster recovery system may not be sufficient in these scenarios. Given the nature of constantly evolving IT systems and in light of the varied and increasingly complex breaches of cyber-security, it is impossible to predict the method or impact of every possible cyber incident. Furthermore, insurance coverage for IT-related damages may not fully cover all losses.

The electrovac Group is also expanding and improving its information technology systems to assist it in the management of its business, which experienced growth in the recent past, and the integration of the operational entities of the electrovac Group. Potential future acquisitions may also require transitions and integration of various IT systems, and the electrovac Group may experience difficulties with the transition and integration of these systems or may even be unable to implement, maintain or expand its IT systems properly. The implementation and ongoing optimization of software systems and the addition of these systems at new locations require significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving and expanding its core systems, including supply chain disruptions that may affect the Company's ability to obtain supplies when needed or to deliver its products to its customers. The electrovac Group cannot be certain that these systems will be fully or effectively implemented on a timely basis, if at all. If the Company does not successfully implement and manage these systems, its operations may be disrupted and its results of operations could be harmed. In addition, new systems may not operate as expected, and the Company may be required to allocate significant resources to resolve issues or find alternative sources for performing these functions.

Each of the aforementioned circumstances could result in operational disruptions and increased administrative expenses which have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.4 The prices of raw materials, components, semi-finished goods and equipment required to manufacture the electrovac Group's products could increase.

The electrovac Group purchases raw materials, components, semi-finished goods or equipment from external suppliers in various countries (but not from Russia). A significant or unexpected price increase on the global market for such supplies has a direct impact on the timely and cost-

efficient production of the electrovac Group's products. The electrovac Group may not be able to implement cost-saving measures or pass on increased costs to its customers.

Prices of raw materials, semi-finished and finished products may fluctuate, for example due to rising or falling demand (while supply remains unchanged), inflation, or higher production and labor costs. For example, in the field of electroplating the electrovac Group's production requires potassium gold cyanide ("gold salt"), whose price is based on the price of gold on the stock exchange and is subject to the same fluctuations. The electrovac Group needs about 200 kg of gold per year (at prices between EUR 110,000.00 to EUR 120,000.00 per kg in the current financial year 2025/2026 which have multiplied in recent years). Other examples of scarce raw materials, subject to constant price fluctuations, are palladium needed for brazing, silver needed for alloys and cobalt needed for kovar (a nickel cobalt alloy) metal strips. In addition, logistics costs incurred when sourcing components and materials, as well as costs for delivering products to customers may increase in the future. Such increase could result from a variety of reasons, including increased fuel prices or generally higher transportation costs as well as export control or other restrictions in certain markets (please refer to Section 3.3.1 "*Foreign trade barriers such as economic sanctions against certain countries, organizations and persons as well as export controls and tariffs could affect the electrovac Group's ability to produce, market and sell its products.*")

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.5 The electrovac Group depends on its suppliers to deliver certain raw materials, components or equipment in the required quality and time; any failure of a supplier could adversely impact the electrovac Group's ability to meet the demand of its customers or to operate its business at current production levels and/or result in damage claims against the electrovac Group.

The electrovac Group purchases a significant number of raw materials (like stainless steel, nickel and nickel cobalt alloys, glasses, graphite materials and precious metal alloys, potassium gold cyanide ("gold salt", a 68% gold-containing, crystalline powder used for electroplating), components and special equipment from a limited number of sources. Most of the orders are regular orders for serial production in alignment with inventory targets.

In the financial year ended 31 March 2025, the electrovac Group's top five suppliers accounted for approximately one third of the electrovac Group's purchase volume from suppliers. Hence, the Company's success depends significantly on the ability of the electrovac Group's suppliers to deliver such raw materials, semi-finished and finished products in the required quantities, which may be substantial, at acceptable costs and on a timely basis. With regard to "gold salt", the electrovac Group has 5 different suppliers (three in Germany, one in Austria and one in Thailand). As of the date of this Prospectus, there are no supply constraints with regard to potassium gold cyanide except for the fact that potassium gold cyanide is a hazardous material and is therefore subject to certain laws for hazardous materials which may delay supply.

The electrovac Group also relies on its suppliers complying with its specifications and quality standards, including with respect to collaboration or inclusion in the development process and technical expertise for manufacturing the products, as well as statutory regulatory requirements. If the suppliers fail to meet such specifications, standards and requirements, the electrovac Group

may face quality issues that adversely impact its production processes. In addition, the electrovac Group's reputation is closely linked to its commitment and ability to deliver high-quality products and services.

For its raw materials, components and equipments, the electrovac Group aims to build a diversified supplier base, where possible engaging more than one supplier per product. However, in line with industry practice, suppliers are often subject to formal certification requirements, which in some cases limit the feasibility of dual or multi-sourcing. A default by one or more major supplier, for example as a result of labour disturbances, unplanned inventory shortages, quality issues or any other disruption to the supplies, could affect the electrovac Group's production levels or result in additional costs. If a supplier stopped supplying a particular raw material, component or equipment or failed to supply raw materials and/or components in the required volumes or at prices acceptable to the electrovac Group, the electrovac Group may not be able to replace the relevant suppliers in time and/or at acceptable costs. If the Company would be required to replace suppliers of components or seek a new approval or certification of the supplied components and such measures could not be timely undertaken, the electrovac Group would be exposed to potential production delays or increases in production costs; a shortage of certain products could even ultimately lead to a production stop at a plant of the electrovac Group. Furthermore, it cannot be excluded that a replacement of a supplier could lead to less favourable supply conditions or to a loss in quality of electrovac Group's products or to production delays as well as reputational damages, especially the need to procure a short-term replacement supplier could result in the electrovac Group having to conclude contracts at less favourable conditions. If the electrovac Group cannot timely replace suppliers and/or gain alternative suppliers for the required components, this could have a material adverse effect on its business, financial condition, results of operations, cash flows and prospects.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.6 The electrovac Group may not be able to successfully execute its growth strategy in Personal Safety and / or Aerospace and Defense.

The electrovac Group plans to focus in particular on growth in its two key business areas Personal Safety and Aerospace and Defense. This includes the continued development of innovative products with highest quality, the construction of new production lines at the existing site in Thailand and in particular the successful geographical expansion in key markets such as China and the USA.

The electrovac Group's ability to realize the intended growth depends on successfully developing and marketing innovative, higher value technologies, expanding into new or existing markets, and maintaining competitiveness with respect to both product and services offering as well as pricing. Failure to anticipate customer needs or to develop and market new products at competitive prices, delays in innovation or product launches, unsuccessful market expansion, problems with production ramp-up at new sites or with the hiring of new staff, or increased competition could adversely affect its ability to achieve the intended benefits of the growth strategy.

As part of any organic or strategic expansion, the electrovac Group may at least initially experience situations at new sites when ramp-up of production is slow and customer demands cannot always be met fully or in time. Such delays in manufacturing and delivering its products

may result in some customers deciding to source comparable products and services from competitors, seeking price reductions or in some cases penalties from the electrovac Group, or cancel or suspend individual orders in whole or in part. In addition to the corresponding loss of revenues and related costs, such delays may also impact the reputation and brand of the electrovac Group (see also Section 3.2.13 *“The electrovac Group is exposed to reputational risks, including as a result of adverse publicity or negative media coverage”*). Moreover, the Chinese and US markets in particular are complex, contested, and inherently risky, and any investment in these countries also lead to additional risks relating to regulation, partners, intellectual property, and strong local competition.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.7 The electrovac Group may not be able to identify suitable acquisition targets, implement or efficiently integrate future acquisitions, or any such acquisitions may not deliver the desired or expected results.

Strategic partnerships or acquisitions, for example of a US production company in the Aerospace and Defense business, is a strategic option for the electrovac Group. There can be no assurance that the Company will be able to identify suitable acquisition candidates in the future, or that it will be able to finance such transactions on acceptable terms.

For example, there are likely relatively high acquisition prices for targets in the defense sector which would reduce investment returns or even cause the Company to refrain from pursuing acquisitions opportunities. Furthermore, the Company may be required to obtain additional financing measures to finance any acquisition. However, financing may not be available on economically acceptable terms. In addition, in some markets, acquisitions may be subject to merger control or foreign investment approval, which may delay or even prevent an acquisition. In addition, acquisitions involving defense-related technologies or strategic assets may require approval under US national security review processes, such as the Committee on Foreign Investment in the US. Similarly, acquisitions in China would need to comply with Chinese foreign investment and national security regulations. Antitrust laws and regulations or a failure to obtain necessary approvals could also limit or prevent the Company's ability to expand its presence in certain markets and pursue its growth strategy.

Furthermore, due diligence processes may not identify all potential liabilities and risks associated with the target company or the acquisition itself. As a result, certain risks may not be adequately addressed in the contractual framework and/or the agreed purchase price may not reflect the actual value of the respective target. Even if issues and risks are identified during an acquisition, it may appear post-closing that any of these may not be able to be mitigated efficiently or effectively. With respect to contractual change of control clauses contained in agreements to which the acquired target is a party, it may not be possible to obtain the consents of contractual partners, which may prevent the electrovac Group from continuing the business without interruption.

There can be no assurance that any future acquisitions by the electrovac Group will be implemented or integrated successfully or will achieve the desired or expected benefits and financial objectives for the electrovac Group. It is possible that an acquisition does not lead to the desired synergies and that integration into the electrovac Group will fail. There can be no

assurance that such synergies or benefits will be achieved on the assumed time schedule or within the budgeted amount, if at all. Furthermore, the Company might incur significant time, costs, and senior management attention in pursuing these transactions, which could otherwise have been directed towards its existing business. Failures or delays in integrating future acquisitions could have a material adverse effect on the business, financial condition, results of operations, cash flows and prospects of the electrovac Group. Moreover, even in cases in which such transactions are completed on schedule and according to plan, the synergies actually accruing from an acquisition or the benefits derived from a cooperation can ultimately differ materially from the electrovac Group's own estimates or expectations.

The occurrence of any of these risks could adversely affect the Company's ability to realize synergies and strategic value from acquisitions and business expansions, and could negatively impact the revenues, profitability, and reputation of the electrovac Group.

3.2.8 The business success of the electrovac Group depends on the retention of experienced executives and other key employees as well as the recruitment and training of qualified personnel.

The electrovac Group currently employs more than 500 employees worldwide. Its success depends to a large extent on its highly qualified and experienced employees, both in R&D and regarding process techniques as well as in production where employees have to operate machines and perform other complicated manual tasks.

The loss of qualified executives or other key employees could have a material adverse effect on the electrovac Group's market position and prospects. While the electrovac Group in the past managed to keep staff fluctuation low and also attract new talent at its sites, competition for recruiting qualified personnel is expected to further intensify, and there is a risk of losing qualified employees to competitors or being unable to find a sufficient number of appropriate new employees for key positions. There can be no assurance that the electrovac Group will be successful in retaining their executives or employees in key positions. Equally, there is no guarantee that it will be able to attract new employees with corresponding qualifications in the future.

The electrovac Group employs a limited number of temporary employees for certain of its activities, mainly in production. There can be no assurance that these temporary employees are as well-trained, qualified or reliable as the permanent employees, possibly resulting in a decline in service levels or a significant increase in defective products or occupational accident rates.

Furthermore, some of the highly qualified employees could retire, which would result in a loss of expertise if the electrovac Group will not be able to ensure an efficient handover to, and timely training of, successors. If the electrovac Group is not able to attract and retain executives, key employees and other qualified personnel, or manage employee transition effectively, this may impair its ability to grow, implement its business strategy and have a material and adverse effect on its business, financial condition, and results of operations.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.9 The electrovac Group depends on its ability to adapt to changing technologies and new trends and to further develop new products. If it fails to introduce attractive new products for its target industries, it may not remain competitive and could lose market share. Furthermore, costly research and development activities may not necessarily result in commercially successful products.

The electrovac Group depends upon, among other things, its ability to adapt to evolving industry requirements and introduce attractive new products. As the markets in which the electrovac Group operates are highly competitive and subject to constant technological change, it must continuously innovate and achieve technological and cost advantages to remain competitive. Its success depends on its ability to keep up with technological progress, and on the anticipation of future customer needs and the development of related technology at attractive prices. A failure by the Company to predict relevant product trends and technological developments or to achieve these technological advances could adversely affect the sales of the electrovac Group's products.

Product development requires significant investment. Since such commitments are made well before any sales occur, evolving technologies and standards may render the electrovac Group's products outdated or uncompetitive by the time of launch, leading to potential partial or total investment losses. The electrovac Group's product development efforts might not translate into sales of new products to its customers, either because they do not meet its customers' needs or because they only enter the market after its competitors have introduced similar products. In addition, delays in the development of commercially successful products meeting market demands and expectations for technological innovation could reduce its market share and harm its business.

Furthermore, the development of new and/or improved products requires a significant amount of funds. The electrovac Group's expenses on research and development amounted to approximately EUR 1.2 million in the financial year ending 31 March 2025. All or part of the costs for past or future research and development may be lost if new technologies and products fail to be accepted in the marketplace or when they fail to become commercially successful. New products could fail to meet technical specifications or regulatory requirements, or infringe intellectual property ("IP") rights of third parties (See Section 3.3.4 "*The electrovac Group might infringe upon the intellectual property rights of others or be accused of such infringement.*") Even more important than research and development spending is the fact that development resources are limited. The use of development resources for commercially successful projects is therefore all the more important.

There is no assurance that new products, even if technically sound, will be commercially successful. Unexpected changes in consumer demand, technological advances or new products by competitors might render them obsolete. In such cases, the electrovac Group could lose its entire investment in these new products and technologies.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.10 The electrovac Group generates a significant portion of its revenues from a limited number of large key customers and customer relationships, the loss of which could have a significant adverse impact on its business, financial condition, results of operations, cash flow and prospects.

The electrovac Group serves all significant customers in the Personal Safety business which only comprises a small circle worldwide. It estimates that in the financial year that ended on 31 March 2025 approx. 90% of the consolidated revenue generated in the Personal Safety area was attributable to the five largest customers including Autoliv, Nippon Kayaku and Shaanxi Qinghua. If the electrovac Group is not able to maintain its existing relationships with one or several of these customers or obtain new relationships with new customers of similar importance, or if some of these existing customers reduce their purchases of their products or find themselves in financial difficulties, the electrovac Group may not only not be able to achieve the desired development of its market share but might face significant negative effects on its turnover and/or profit.

In addition, large customers both in the Personal Safety and Aerospace and Defense area are constantly reviewing their suppliers and tend to renegotiate agreements with their suppliers such as the electrovac Group on a frequent basis, trying to reduce prices and implement terms less favourable to suppliers like the electrovac Group. Existing relationships with its customers may also be subject to change as a result of changing customer priorities, external pressures or the deterioration of a customer's financial condition, any of which may alter the customer relationship, including by way of customers seeking to renegotiate previously agreed terms. The electrovac Group's dependence on a limited number of key customers may also require it to accept commercially unfavourable conditions in the future in order to maintain customer relationships. Consequently, the electrovac Group is exposed to substantial losses if one of its key customers decides to terminate its contractual relationship or enforce adverse terms under the agreed contracts, not renew its contractual relationship or reduce the respective volume under its contract with the electrovac Group. The loss of any contracts of a certain size in the future may adversely affect the Company's business if it is not able to offset such losses with new contracts of similar or greater value or increase its existing business to offset such losses.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.11 Strikes or other industrial actions could disrupt the electrovac Group's operations and rising collectively agreed wages could lead to an increase in costs.

Good relationships with employees, trade unions and other employee representatives are important for the electrovac Group's business, in particular in labour intensive production. Works councils have been established at certain group companies, and it cannot be ruled out that employees will demand the establishment of further works councils. With further growth of the electrovac Group, the Company may become subject to co-determining rights of employees. Some of the employees are members of trade unions or comparable bodies, and the electrovac Group is subject to collective bargaining agreements, for example the IG Metall collective agreement. No assurance can be given that the electrovac Group will be able to prevent or reduce strikes or other industrial actions, or that agreements with unions, works councils or employees will be renewed or extended on the same or different terms or that different terms will be effective in preventing or reducing strikes or other industrial actions.

If relationships with employees deteriorate, for example due to dissatisfaction with salary levels, proposed salary increases or reorganization measures, the electrovac Group may experience strikes, unionization efforts or other types of conflicts. Any future failure to maintain good relationships with employees and their representatives could lead to strikes or labour disputes, disrupting operations or slowdown at one or more of its production facilities, increasing costs, and damage to the reputation of the electrovac Group with customers or in the market generally.

Strikes and other industrial action are often used to achieve better collectively agreed wages for union-agreed employees. This could lead to the electrovac Group having to pay higher wages to its employees in the future without having a direct influence on their determination. The same effect could occur if employees who have not yet been bound by collective agreements are bound to a collective agreement in the future, or if company agreements (*Betriebsvereinbarungen*) concluded with work councils are not renewed or agreed at less beneficial terms than before. This leads to the risk that the electrovac Group will face increasing wage costs.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.2.12 The electrovac Group's insurance coverage could prove inadequate to cover all risks it might face.

The electrovac Group has comprehensive insurance policies in relation to a number of risks associated with its business activities. However, the insurance coverage is subject to customary exclusions, limits and deductibles.

Damage and loss caused by fire, natural hazards, terrorism, supply shortage, or other disturbance at its production facilities or within its supply chain – with customers or suppliers – can be severe. For example, the production sites in Germany and Austria had been exposed to severe storms with some damages in the past where the electrovac Group could claim the repair costs under its insurance policies. The risks arising from business interruption and loss of production are insured up to levels considered economically reasonable by the Company, but its insurance coverage could prove insufficient in individual cases. As a result of insurance incidents or generally adverse trends in the insurance market, insurance premiums may further increase to a level that is no longer economically viable or may result in the Company being unable to maintain coverage at current levels or at all. In addition, the payment of deductibles under some of these insurance policies could be onerous and expose the Company to significant payments.

In the future, the Company may not be able to obtain coverage at current levels, and premiums for the insurances may increase. A lack of adequate insurance coverage could significantly increase the electrovac Group's costs, which could have a material adverse effect on profit margins and results of operations of the electrovac Group and thus on the Company.

3.2.13 The electrovac Group is exposed to reputational risks, including as a result of adverse publicity or negative media coverage.

The reputation and brand of the electrovac Group are fundamental to its success in markets globally. They are significant factors influencing customers' decisions to purchase its products and are also key considerations for current and future employees. The value and strength of the reputation and brand can be adversely affected by a range of factors, including but not limited to failures to maintain product quality or safety, unsuccessful product launches, inability to meet

regulatory or legal standards, inadequate handling of data breaches, or cybersecurity incidents. Additionally, actions or omissions by suppliers or business partners may negatively influence the electrovac Group's reputation if they compromise its quality standards.

Actual or perceived failures to meet the expectations of stakeholders (including regulatory authorities, customers, employees, or society at large) can undermine credibility, erode trust in the brand, and diminish the electrovac Group's competitive position. A deterioration of reputation or brand can also result from regional, national, and international negative media coverage or adverse publicity, regardless of whether such coverage is accurate. Media reports (including those rapidly disseminated via social media, digital platforms, or dedicated websites) may address a broad range of subjects, such as product quality, regulatory compliance (for a discussion of its regulatory compliance see also Section 3.3.5 "*The electrovac Group is subject to complex regulatory frameworks. Failure to comply with such regulations could result in fines, business interruptions and other adverse actions by governmental regulatory authorities*"), business practices, or stakeholder relationships. For example, new or existing employees may have reservations towards the electrovac Group's stronger focus on the Aerospace and Defense business. Negative publicity may relate to actual or alleged facts, and the electrovac Group may not always be able to correct negative perceptions or misinformation once they have been publicly disseminated. Even unsubstantiated or misleading coverage can harm its reputation, lead to a loss of trust among business partners, regulators, or employees, and require resources to address. There is a risk that such adverse perceptions or loss of brand value could trigger increased scrutiny by regulators, impact tender or contract decisions, or cause lasting harm to market position and eventually revenues.

If the reputation or brand is impaired, the electrovac Group may lose credibility and attractiveness among its stakeholders, face reduced demand for its products and services, and encounter increased challenges in recruiting and retaining qualified employees. Any such deterioration could materially adversely affect the business, financial condition, and results of operations of the electrovac Group.

3.3 Risks related to Regulatory, Legal and Tax Factors

3.3.1 Foreign trade barriers such as economic sanctions against certain countries, organizations and persons as well as export controls and tariffs could affect the electrovac Group's ability to produce, market and sell its products.

With its global sales activities and production plants also outside Germany, the electrovac Group is subject to the laws and regulations of various countries in which it operates. Business with several countries may be restricted due to economic sanctions and export controls imposed in particular by the USA, China and the EU. In addition, current and future measures imposed by the US Administration and other governments have resulted in significant uncertainty as to applicable tariffs.

The electrovac Group as a globally operating group must comply with economic and trade sanctions administered by the United Nations, the US, the EU, the UK, and other countries, as applicable in each case. These economic and trade sanctions may restrict its business dealings with certain countries, territories, governments and people. For example, after the Russian invasion of Ukraine and the imposition of EU sanctions, the electrovac Group in early 2022 stopped all deliveries to a Russian customer which accounted for annual revenues of approx.

EUR 2 million. While all business relations with Russia have been terminated since 2022, sanctions-related restrictions may be relevant again in the future in case the electrovac Group should have business in countries where sanctions apply. The Issuer and the entire electrovac Group are currently not affected by the EU sanctions against Russia and are not expected to be affected in the foreseeable future. However, there can be no assurance that the electrovac Group will in the future not be violating sanctions laws applicable in the countries where it operates. Sanctions restrictions may involve asset freezes targeting designated natural or legal persons, organizations and entities, trade restrictions on these persons and/or on specific products and related ancillary services, and bans on certain services and investments.

In addition, general EU and national export control laws may, inter alia, restrict the sale, supply, transfer or export of restricted products, and the provision of certain services ancillary to the restricted products. Due to the wide range of EU product restrictions, some of the electrovac Group's products fall within their scope. Therefore, dealing with such products may require a specific prior authorization by the competent EU or national authorities, in Germany by the German Federal Office for Economic Affairs and Export Control ("**BAFA**"). As some of its products are used in defense contexts or can be qualified as dual use products, the electrovac Group regularly applies for and in most cases has received the necessary export authorizations from the BAFA where such authorization was legally required (such export authorizations were not related to Russia). While there is a comprehensive legal framework governing the export of goods outside Germany and the EU, there is some regulatory discretion by the authorities and future legal or political developments could restrict or revoke the electrovac Group's ability to rely on this authorization framework.

Exports account for a large part of the electrovac Group's business with almost half of its revenues generated from customers outside the EU. The export of its products to customers located outside of Germany and the EU into the United States, China, Japan and other non-EU/non-EFTA countries may be subject to limitations, export licenses, specific export controls, embargoes (imposed by Germany or the EU as well as by other countries where the suppliers of component products or technologies are based) or trade restrictions or custom duties. Exports of the electrovac Group could be delayed until these issues are properly addressed. Furthermore, the import of products in other countries may require the prior approval or license by the competent authorities in the recipient countries or may be outright prohibited.

In addition, there can be no assurances that (i) the restrictions and export controls to which the electrovac Group is subject to will not be tightened or custom duties will not be significantly increased, (ii) new products developed by the electrovac Group will not be subject to similar or tighter controls and, (iii) geopolitical factors will make it impossible for the electrovac Group or its suppliers to obtain export licenses for certain customers or make it more difficult for the electrovac Group to execute previously signed contracts (e.g. because of new embargoes).

Laws, regulations or licensing policies on economic sanctions or export controls could change and additional countries may introduce economic sanctions, export control or similar regimes, which could adversely affect the electrovac Group's business, exports or sales in these or other countries. A violation of current or future applicable laws or regulations could result in civil or criminal liability for the electrovac Group, its management and its employees, the imposition of fines or other penalties, as well as negative publicity or reputational damage.

The global tariff landscape is evolving and may adversely affect the electrovac Group's business operations and financial results by creating less favourable conditions for the import and export of its products. As of 5 April 2025, the US administration has introduced a baseline tariff of 10% on almost all imports into the United States from other countries. Higher tariffs on the goods of certain countries were imposed on or around 1 August 2025. As of the date of this Prospectus, the US and the EU agreed that goods of the EU are subject to a minimum tariff of 15%, with some goods subject to higher tariffs. As of 29 August 2025, the former de minimis exemption for tariffs in respect of goods of up to USD 800 was repealed, a few exceptions remain nevertheless. However, these tariffs may change further depending on the outcome of trade negotiations with, or other policy decisions of, the US administration. Moreover, certain goods are subject to industry-specific tariffs imposed by the United States, including tariffs on steel, aluminum, copper, and products derived from these materials. While the Company believes that most of the electrovac Group's products remain exempt from such new tariffs under current customs regulations, or the electrovac Group is not immediately affected by higher tariffs as it usually delivers its products "ex works" and thus passes the obligation for tariffs to its customers, it may still lose its competitiveness towards local competitors not exposed to these new tariffs. In order to benefit from any available tariff exemptions, products must be correctly classified and such classification must be documented accordingly and recognized by the relevant customs authorities.

If customs authorities do not recognize the classification or documentation used by the electrovac Group, or if the applicable regulations change, this could result in significant additional costs which the electrovac Group may not be able to pass on to its customers in whole or in part. Restrictions or changes in tariff policy by the US administration or the EU may lead to cost increases, and if the electrovac Group cannot pass these higher costs on, could materially and adversely affect its business, financial results, and competitiveness. Moreover, any countermeasures by regional or global trading partners, including the US, the EU and China, could slow down global economic growth and have an adverse impact on the export of the electrovac Group's products.

The occurrence of any of these risks could affect the electrovac Group's ability to operate efficiently in key markets, maintain relevant business relationships, or comply with applicable laws and regulations, and may have a material adverse effect on its business, financial condition, results of operations and reputation.

3.3.2 Defects and quality issues of the electrovac Group's products may lead to product recalls, product liability and warranty claims as well as other adverse actions from customers and regulatory authorities.

The electrovac Group may be subject to product liability and warranty claims if its products are defective, violate safety regulations or are the cause for accidents. Given the specific requirements both in the Personal Safety and the Aerospace and Defense business, there is in general 'zero tolerance' for errors and defects and the quality management approach of the electrovac Group is intended to prevent any such failures. Various circumstances could result in an unsafe condition of its products, including quality issues, component failures, manufacturing flaws, unanticipated, unapproved, or improper uses of the products, design defects or inadequate disclosure of product-related risks or product-related information. Any of these issues could lead to an investigation by governmental authorities, a recall of, or a safety alert relating to, one or more of the electrovac Group's products. While there has not been any product recall or official investigation from authorities concerning the electrovac Group's products in the past, and the

Company believes that the many tests prescribed for safety-critical parts by industry and regulators reduces the risk of defective products entering the market, the automotive industry for example has seen such actions in the past involving airbags in millions of cars in some cases. Any recall or safety alert, whether voluntary or required by governmental authorities, could result in lost revenues or other significant costs, and could also harm the Company's brand and reputation.

The greater the damage that could be caused by product defects, the higher the cost risk for the electrovac Group. Many of the customer products which are manufactured with components supplied by the electrovac Group have a major impact on the overall safety, durability and performance of the respective end-product. Defects of the most important products of the electrovac Group, namely headers for airbag and seatbelt tensioner igniters, typically involve risks to the health and lives of private individuals and thus can lead to potentially very high financial, legal and reputational risks. In view of the fact that the electrovac Group intends to further expand its business in the USA, defects in its products could lead to even higher claims and fines under any US liability and class action.

Customers, but also buyers of end products with components from the electrovac Group (including private individuals) may claim damages or other forms of compensation from the electrovac Group alleging that its products were defective. Product liability proceedings are inherently unpredictable, could be costly to defend and could ultimately result in excessive verdicts or injunctive relief, which in turn could adversely affect the operations of the electrovac Group or result in settlement payments and adjustments not or not fully covered by its insurance. Expenses associated with liability claims could increase operating expenses, compress profit margins, and could materially adversely affect the electrovac Group's results of operations. Product deficiencies could also be caused by the electrovac Group's suppliers, but the attributable loss may not be recoverable from the suppliers.

The risks arising from product liability proceedings and other claims are insured to the extent the electrovac Group considers economically reasonable, but the insurance coverage could prove insufficient in individual cases and, at any rate, might not protect from damage to the electrovac Group's reputation. In a worst-case scenario involving recalls of mass-produced products, the electrovac Group could be forced to pay significantly more for example for damage claims than the actual product value.

The electrovac Group manufactures most of its products pursuant to customer specifications and their performance and quality requirements. As is customary in the industry, the underlying contract terms are often very purchaser-friendly with long warranty periods and other far-reaching obligations for the electrovac Group. If it does not deliver its products timely and according to the agreed specifications, it is subject to warranty claims. If it delivers products which are not compliant with contractual requirements with its customers, it is required to remedy any such issues. If it is unable to remedy such issues, its customers normally have the right to rescind the contract and thus require it to take back the products against re-payment of the purchase price received by it and any related costs incurred in connection therewith or to instruct a third party at its expense and against crediting of any tranches of the purchase price not already paid either to identify and remedy such issues or to disassembly and provide a substitute product. In some instances, only part of the costs or damages claimed by customers could have been covered by insurance.

Negative publicity regarding a quality or safety issue, whether accurate or inaccurate, could in addition to the damage liabilities and costs in relation to legal defence and repairs also harm the reputation and market acceptance of the electrovac Group.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.3.3 The electrovac Group is subject to the tax laws and regulations of Germany and numerous other countries. Its tax burden may increase as a consequence of current or future tax assessments or court proceedings in connection with changes in domestic or foreign tax laws and double taxation treaties or changes in the application or interpretation thereof.

The electrovac Group is subject to the tax laws and regulations of Germany and numerous other countries. Its tax burden depends on various aspects of tax laws and regulations including domestic tax laws and regulations and double taxation treaties concluded, in particular, between Germany and the countries in which the electrovac Group is operating, as well as their respective application and interpretation. Amendments to tax laws and double taxation treaties may have a retroactive effect, and their application or interpretation by tax authorities or courts is subject to change. Furthermore, tax authorities occasionally limit court decisions to their specific facts by way of non-application decrees which results in additional uncertainties regarding the interpretation of tax law and regulations.

Given the nature of its international business, the electrovac Group is especially exposed to tax risks from the transfer pricing rules that apply to inter-company cross-border business transactions, services and relationships in Germany and elsewhere. There is a risk that German or other tax authorities will challenge the transfer pricing principles implemented by the electrovac Group. This may result in penalties and/or additional tax payments. It also cannot be ruled out that the tax authorities may change their interpretation of the so-called arm's length principle in connection with transfer pricing rules which may also result in additional tax payments. .

As a holding company, the Company's ability to distribute dividends depends largely on dividend payments made by its subsidiaries. Among other things, these intra-group distributions are subject to withholding taxes (*Kapitalertragsteuer* or *Quellensteuer*) potentially on multiple levels. No assurance can be given that the taxation of intra-group distributions may not negatively affect the Company's ability to pay dividends in the future (e.g. because of tax costs in connection with such dividend payments due to non-refundable withholding taxes, double taxation, etc.).

Thin capitalization and interest deduction limitation rules in various jurisdictions restrict the tax deductibility of interest expenses and the possibility of companies to carry forward non-deducted interest expenses to future assessment periods. As the interpretation of these rules is not entirely clear in many jurisdictions, it is possible that the competent tax authorities will take a different view regarding the tax deductibility of interest expenses than the electrovac Group. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of the loans within the electrovac Group that could have a material adverse effect on the Company's liquidity and financial condition.

The electrovac Group is or may become subject to tax audits in the jurisdictions in which it conducts its operations. With respect to Germany, the last completed general tax audit for the

Company covered the financial year ended on 31 March 2022. With respect to the main operating entities in Germany, electrovac germany and electrovac components, the general tax audit for the financial years ended on 31 March 2020 until 31 March 2022 is ongoing (i.a., dealing with transfer pricing topics); so far, the ongoing tax audit has not resulted in any written or oral findings (neither final nor interim). Subsequent tax assessment periods of the German companies as well as several tax assessment periods of other non-German subsidiaries of the electrovac Group have not yet been subject to tax audits. Interpretations of tax rules by the competent authorities that differ from the ones of the electrovac Group made so far, may lead to subsequent payments as a result of current or future tax audits, and the electrovac Group's provisions for taxes may not be sufficient. Due to the complexity and dynamics of both, tax legislation and the interpretation of applicable law by the tax authorities, it is possible that the outcome of these tax audits may not be as expected and that the tax amounts and interest payments determined by the tax authorities may exceed provisions set up for this purpose. As a result, the electrovac Group may incur additional tax payments as well as penalties and late payments charges resulting from the corresponding tax assessments.

Any imposition of a tax liability, adverse tax ruling or the result of tax audits could increase the tax burden, negatively impact the profitability, and have a material adverse effect on the financial positions and results of operations of the electrovac Group and thus on the Company.

3.3.4 The electrovac Group might infringe upon the intellectual property rights of others or be accused of such infringement.

Patents, trademarks, copyrights, know-how, domains and other IP rights are important for many companies, and third parties may allege that the products and/or IP the electrovac Group manufactures/uses infringes their own IP.

These allegations may also relate to IP where the Company is not aware of prior or better protection in spite of its "freedom to operate" researches. For example, patent applications can take several years to complete and publication schedules for pending applications vary by jurisdiction. Hence, there may be applications pending as of the date of this Prospectus of which the Company is unaware, and which may result in issued patents that the electrovac Group's current or future products infringe. In addition, there are numerous patents that broadly claim means and methods of manufacturing within or near the range of products the electrovac Group is manufacturing. In the past the electrovac Group has been subject to allegations and litigation in relation to certain IP it uses. For example, there have been disputes with another party in the past, which have been settled with respect to products existing at the relevant date. However, there is no assurance that disputes may arise again in particular with respect to newly developed patents or products or with other companies.

Allegations and litigation related to actual or alleged IP and know-how infringements could be costly. If the electrovac Group were found to have infringed on third parties' IP rights, it could be subject to significant liability for damages.

In case the Company seeks to obtain licenses from third parties to settle any such disputes, such licenses may not be available on acceptable terms or at all. The electrovac Group may have to develop non-infringing technology, enter into licensing agreements with the obligation to pay royalties, adjust its marketing activities or take other actions to resolve such claims. Even if it

prevails in any infringement litigation, these processes could result in unrecoverable costs and the diversion of time and attention of its management.

Each of the aforementioned circumstances could have a material adverse effect on the business, financial condition, results of operations, cash flow and reputation of the electrovac Group and thus on the Company.

3.3.5 The electrovac Group is subject to complex regulatory frameworks. Failure to comply with such regulations could result in fines, business interruptions and other adverse actions by governmental regulatory authorities.

The electrovac Group is active across the globe and its operations are subject to a complex system of laws and regulations. Its products are manufactured with the use of various chemical materials which are subject to strict regulation and oversight from various governmental authorities, such as the *Bundesanstalt für Arbeitsschutz und Arbeitsmedizin* (BAuA) and the *Bundesinstitut für Risikobewertung* (BfR) in Germany or the European Chemical Agency (ECHA), and other public bodies in countries in which it operates. These regulations govern and impose requirements related to, among other things, environmental and quality management, safety, performance and effectiveness, cybersecurity, data privacy, software validation, recordkeeping, reporting obligations, clearance and approval, distribution, import/export, as well as post market surveillance of the electrovac Group's products. The facilities of the electrovac Group are located in various jurisdictions and are subject to different laws and regulations. As the electrovac Group continuously reviews its production processes, this may result in adaptations to its production facilities, including, among others, changes to their physical locations, production capacities, manufacturing equipment or operational capabilities. These changes may violate applicable laws, which may result in fines or even the forced temporary or permanent shutdown of a production facility.

In the EU, the electrovac Group is subject to Regulation (EC) No. 1907/2006 concerning the registration, evaluation, authorization and restriction of chemicals) ("**REACH Regulation**"), Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("**RoHS**"), Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas ("**Conflict Minerals Regulation**"), and many other rules. Similar regulations which govern the production and use of chemicals apply in other jurisdictions, such as the Toxic Substances Control Act ("**TSCA**") and the California Proposition 65 (Safe Drinking Water and Toxic Enforcement Act of 1986) ("**CA Proposition 65**") in the USA. There are extensive monitoring, documentation and reporting requirements under these rules. Non-compliance with such requirements could expose the electrovac Group to investigations and sanctions by the competent authorities, including fines, public warning letters that require corrective action, product seizures, recalls, suspension of product manufacturing, revocation of approvals and criminal prosecution.

Several of the chemicals the electrovac Group uses are or may be classified as substances of very high concern and are or could become subject to restrictions on use or become prohibited. Any such stricter regulation may have a material impact on maintaining existing clearances and approvals or require the electrovac Group to replace certain substances, which may have a financial impact on the electrovac Group's business operations.

The electrovac Group's products must also meet industrial standards and all production sites operate in compliance with DIN ISO 9001:2015, the international standard for quality management systems. Other important standards are the International Material Data System (IMDS) and the Global Automotive Declarable Substance List (GADSL) under which the electrovac Group makes declarations for its customers. Compliance with these standards are often mandatory across the overall lifecycle of a product, and they also may be a prerequisite to do business with certain customers. These standards are subject to continuous development and revision, which may entail newly adopted or increased requirements and, in turn, increased initial and recurring compliance costs. For example, the electrovac Group's Austrian site had to obtain NADCAP certification recently in order to supply aerospace and defense supply chains in the US.

The electrovac Group sources certain products from third parties. If the suppliers breach laws or regulations, for instance in the context of product safety, embargos or employee protection, the electrovac Group or its customers could face legal actions. For example, it might be unable to sell some of its products, be required to recall such products or pay fines.

The electrovac Group imports and exports goods, which requires it to determine the correct tariff code. Tariff codes impact, for example, the amount of payable customs duties. However, the classification requirements for sensors and other products sold by the electrovac Group could be ambiguous, as the relevant tariff schedule could contain competing or secondary codes. Furthermore, when assessing classification suggestions of third parties, such as suppliers, the electrovac Group could determine incorrect tariff classifications due to missing information by its suppliers, which would lead to incorrect payments of custom duties. In recent years, customs authorities have drawn their attention to the correct classification of products. Should the electrovac Group apply an incorrect classification, this could result in duties payable by the electrovac Group, for example, if it has used a tariff code with a lower duty or if it has incorrectly relied on a free trade agreement as recently occurred with certain imports made into Austria when the wrong customs classification was flagged by the Austrian customs authorities and had to be corrected,.

In addition to EHS-related risks (see also Section 3.3.6 "*The electrovac Group is exposed to environmental, health and safety regulations with potential compliance obligations and costs*"), the electrovac Group could become subject to challenging reporting requirements in the near future. One such example is the EU Directive (EU) 2022/2464 regarding corporate sustainability reporting ("**CSRD**") which imposes new requirements starting for financial years 2027 onwards.

Irrespective of whether the CSRD will be directly applicable to the electrovac Group, it is increasingly exposed to market-driven reporting standards and stakeholder expectations. Large customers, in particular OEMs and large suppliers, frequently impose contractual requirements on their suppliers regarding environmental, social and governance matters, including adherence to supplier codes of conduct, implementation of environmental due diligence processes, participation in audits and assessments, and the provision of detailed ESG data (for example on greenhouse gas emissions, resource efficiency, labour conditions and ethical business conduct). Financial institutions, insurers and rating agencies also consider ESG criteria when assessing counterparties, which can influence access to financing, insurance terms and the electrovac Group's overall risk profile. As a result, even if the electrovac Group should stay below certain statutory thresholds it may in practice be forced to implement ESG compliance structures and reporting processes in order to remain competitive and retain access to key customers and capital markets. Failure to meet these market-driven ESG expectations may lead to the termination of

supplier relationships, exclusion from tender processes, downgrades in ESG ratings and reputational damage.

Besides the abovementioned regulatory fields, the electrovac Group is also subject to cybersecurity laws, most notably the Directive (EU) 2022/2555 on Network and Information Security ("**NIS2**"). NIS2 significantly strengthens the EU Member States' cybersecurity posture, aiming to enhance overall resilience and incident response capabilities in both public and private sectors. With its transposition still in progress in several Member States, including Germany, the directive will require companies in critical sectors to implement robust measures to secure their network and information systems. This includes safeguarding against cyberattacks and ensuring the availability, integrity, and confidentiality of data, as well as establishing comprehensive emergency and recovery plans. As the manufacturing of electronic equipment for motor vehicles constitutes a critical sector under NIS2, the electrovac Group may fall under the scope of NIS2 and is in that case affected by its cybersecurity standards. Non-compliance may result in fines determined by individual Member States; however, mandatory penalties are set at a minimum of the higher of EUR 10 million or 2% of the total worldwide annual turnover for essential entities, and the higher of EUR 7 million or 1.4% of the total worldwide annual turnover for important entities.

These laws and regulations continuously evolve over time, and the Company may not be able to anticipate their interpretation, implementation or enforcement. If the electrovac Group fails to comply with new or changed laws or regulations, it might be subject to fines, penalties and other adverse consequences, which could have a material adverse effect on the reputation, business, results of operations, cash flow or financial condition of the electrovac Group and thus of the Company.

3.3.6 The electrovac Group is exposed to environmental or health and safety regulations with potential compliance obligations and costs.

The electrovac Group is subject to governmental regulations relating to the protection of environment, health and safety matters (in the following referred to as "**EHS Regulations**"). It operates facilities that potentially affect the environment, making immission control and monitoring water discharge a fundamental aspect of its business activities. A violation or alleged violation of EHS Regulations could result in liability, including adverse regulatory action, the imposition of fines, the suspension or cessation of operations, and/or the payment of compensation to government authorities, employees and other third parties. For example, the parking lot at one of the electrovac Group's sites in Salzweg, Germany, is in principle above admissible noise emission levels under local regulations.

The production sites in Germany and Austria at which the electrovac Group operates have been used for industrial purposes for many years, the site in Thailand since 2016. There is accordingly the risk of contamination and potential remediation obligations of any hazardous substance contamination at these sites, regardless of whether the electrovac Group entity is the legal owner or is merely leasing the respective property, and irrespective of whether the electrovac Group caused the contamination or acted with fault. Moreover, the electrovac Group could also be held liable for damages to natural resources, such as soil, water and/or groundwater contamination, and any consequences arising out of human exposure to such substances or other environmental damage. In addition, the electrovac Group could be held responsible for the remediation of areas

adjacent to its sites if these areas were contaminated due to its activities, or if it were to be found the polluter of these areas.

The electrovac Group uses chemical substances in its manufacturing processes and as a consequence must strictly comply with the Federal Water Act and other regulations protecting the ground water and other natural resources. The use and in particular the discharge of industrial water at the production sites (e.g. wastewater containing solvents or arising from galvanic processes) are subject to government approval, pre-treatment obligations and are closely monitored by the competent authorities, in Germany by the *Wasserwirtschaftsamt Deggendorf*. These public authorities could amend or withdraw clearances and approvals, conduct investigations into the electrovac Group's operations or issue financial penalties and enforcement notices. If chemical substances beyond admissible levels should reach the ground water, production at affected sites may have to be suspended and the electrovac Group may have to undertake corrective actions.

As a result, it may be required to cooperate with competent authorities on monitoring and/or remediation concepts, to pay for investigation and testing costs, clean-up costs as well as costs for protective measures and monitoring costs for significant periods of time. Such measures could impede operation at the affected site. Moreover, if any contamination were to become a subject of public discussion, there is a risk that the Company's general reputation or its relationship with its customers could be harmed.

The cost of environmental claims and related measures relating to production sites, products and operations, including the handling or disposal of waste and environmental remediation, if required, is difficult to accurately predict and could be significant. The same applies to potential related governmental fines or other sanctions as well as third-party claims for decontamination, property damages or personal injury. The electrovac Group could also incur liability for investigation and remediation of contamination at off-site locations where it has disposed, or arranged for the disposal or treatment of, hazardous waste, if not adequately disposed of by engaged and certified service providers. In connection with future acquisitions of other companies, the Company may not be able to identify pollutions or contaminations (e.g., on owned or leased manufacturing sites) or may not be able to fully assess the extent of an environmental issue that has been identified. In such a case, it might not succeed in claiming damages or indemnification against the relevant seller.

Furthermore, at some of the sites which the electrovac Group operates, chemical substances and other hazardous materials are used. The health and safety of persons (including former employees) may have been affected and could still be affected and the electrovac Group could therefore be exposed to related damage claims in the future. There can also be no assurance that there will be no accidents, even fatal accidents, or incidents suffered by employees and contractors of the electrovac Group or other third parties on its sites. If any accidents or incidents occur, the electrovac Group could be subject to prosecution and litigation, which could result in fines, penalties and other sanctions and could damage its reputation.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.3.7 The electrovac Group may not be successful in adequately establishing and protecting its patents, trademarks, technological know-how and other intellectual property.

The electrovac Group is highly dependent upon its technological know-how and its ability to establish and protect proprietary IP rights regarding its products. It has significantly invested in R&D in the past and many customer-specific solutions are developed jointly with its customers. As of 31 March 2025 there are 10 highly-qualified employees in the R&D department who have contributed to the electrovac Group's IP portfolio which primarily comprises patents, registered trademarks, technical know-how, confidential product and process information, and related documentation and software.

For example, the process of seeking patent protection can be lengthy and expensive. Not all of the patent applications filed by the electrovac Group may be granted, and existing or future patents may not provide the electrovac Group with sufficient protection in case of an infringement of its technology. Furthermore, existing patents may be successfully challenged, revoked or circumvented in the future.

In some countries and particularly in parts of Asia, intellectual property rights are difficult to enforce as the application and enforcement of laws governing such rights adhere to a different standard than those applied in other jurisdictions in which the electrovac Group operates, such as Germany. For example, the Company may not be intimately familiar with business practices and the extent of intellectual property protection and enforcement afforded in Thailand.

The electrovac Group also relies on trade secrets and other unregistered proprietary rights which do not provide the same level of protection as patents or trademarks. For example, the Company in certain cases deliberately decides to not apply for patents as the risk that a published patent is copied, e.g. in other countries where the patent is not granted, may be higher than the risk that the innovation cannot be kept confidential. While the electrovac Group attempts to protect non-patented, proprietary know-how, trade secrets, processes and other proprietary information through confidentiality agreements, invention assignment and similar agreements as well as policy guidelines and trainings for employees, the protection measures may not be enough and such agreements may be breached. If the know-how of the electrovac Group is not protected sufficiently, it might lose its statutory claims for breach of company secrets, potentially also any claims against (former) employees in case of their breach of confidentiality.

Furthermore, there is the risk that governmental agencies or regulatory bodies may require the disclosure of such information. In this context, such agency or regulatory authority may disclose information if it decides that such information is not confidential business or trade secret information. Trade secrets, know-how and other unpatented proprietary technology may also otherwise become known to or independently developed by the electrovac Group's competitors, which could adversely affect its competitive position.

In some cases, inventions may be created by managers or employees of the electrovac Group who have specific rights with regard to the inventions, e.g. under the German Act on Employees Inventions (*Arbeitnehmererfindungsgesetz*) or comparable laws in other jurisdictions. The electrovac Group may be unsuccessful in claiming the requisite IP rights to such inventions and may have to acquire the inventions or pay royalties under a license agreement, which may not be feasible on commercially reasonable terms.

The electrovac Group also relies on trademarks and domain names to a limited extent in order to protect its brands. There can be no guarantee that it will be able to protect its trademarks and domains in the future. Failure to protect these rights could adversely affect its brand and market reputation and thus significantly impair the electrovac Group's competitiveness.

Moreover, it may in the future rely on licenses granted by third parties, which may expire, be declared invalid or be terminated for reasons beyond its control and then granted to competitors. If the electrovac Group is unable to substitute such licenses, it might have to either terminate certain operations affected by these licenses or invest significant financial resources in other business areas to off-set these losses.

Each of the aforementioned circumstances could have a material adverse effect on the business, financial positions and results of operations of the electrovac Group and thus on the Issuer.

3.3.8 The Company's current compliance and risk management systems may not enable it to prevent and/or identify violations of law including corruption, employee fraud or other criminal or unauthorized activities, and to identify and evaluate all of the material risks the electrovac Group is exposed to.

The Company currently has a compliance and risk management system to recognize and evaluate legal risks in the markets in which it operates and enable it to take appropriate countermeasures as necessary.

As the electrovac Group operates around the globe, with production sites in Europe, Asia and in the future also in the USA (provided the planned acquisition of a US production company will be successful), it is confronted with an extensive array of legal requirements that change frequently, evolve continuously and may become more stringent. These regulations relate in particular to the electrovac Group's production process and include, inter alia, laws and regulations relating to employment, occupational health and safety, the use and handling of chemicals, air and water emissions and the management and disposal of certain materials, substances and waste as well as product warranty and product liability provisions. For its production sites and operations, it is required to obtain and hold various permits to apply for modifications and to comply with the requirements specified therein and it is also subject to rules that relate to the safety of its products. More strict regulation of these products or its manufacturing sites or processes or occupational health and safety regulations in the future may have a material adverse effect on its business. If the electrovac Group fails to comply with these rules, additional measures and even a recall may be necessary.

The electrovac Group is subject to foreign trade laws, has to pay export or customs duties on materials and products that it exports and imports. The nature of its operations exposes it to the risk of liabilities or claims with respect to such laws, regulations, ordinances and duties, and it may have to incur material costs in connection with such liabilities or claims. In addition, shipments to a number of countries may be delayed by customs authorities in those countries based on local law requirements, arbitrary decisions by such authorities or for other reasons. It could become subject to additional laws, regulations, ordinances and/or permit requirements (see also Section 3.3.5 "*The electrovac Group is subject to complex regulatory frameworks. Failure to comply with such regulations could result in fines, business interruptions and other adverse actions by governmental regulatory authorities.*").

There is a risk that the Company's current compliance and risk management systems may fail to identify or incorrectly assess compliance violations and/or that no appropriate countermeasures will be taken or that the compliance and risk management systems will not be suited to the size, complexity and geographical diversity of the electrovac Group, or that those systems will fail for some other reason. There is also a risk that the electrovac Group does not have the proper mechanisms, IT systems, internal auditing and reporting systems to detect corruption, employee fraud or other criminal or unauthorized behaviour. Compliance with existing and additional or more stringent laws, regulations, ordinances or permit requirements, as well as more vigorous enforcement policies of regulatory agencies or stricter or different interpretations, may require the electrovac Group to make additional expenditures or investments, which may be material.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.3.9 Data protection violations could harm the electrovac Group's reputation, could constitute regulatory offences and could give rise to fines and damage claims.

The electrovac Group collects, processes and uses data of its employees, suppliers and customers as well as product and process data.

With regard to its operations in the EU, the General Data Protection Regulation ("**GDPR**") which is applicable since 25 May 2018 in all EU member states to harmonize data privacy laws across Europe imposes certain limitations on the collection, use and transmission as well as disposal of personal data. Should the Company or its German and Austrian subsidiaries not act in compliance with the GDPR, they may be fined a maximum amount that corresponds to the higher of EUR 20 million, or 4% of the annual global turnover in the latest financial year, and they may also be subject to indemnification claims from data subjects or actions imposed by competent authorities which could also significantly adversely affect the reputation of the electrovac Group. National laws of Member States including the German Federal Data Protection Act (*Bundesdatenschutzgesetz*) or EU legislation may impose additional restrictions on the processing of personal data.

Legislators in other important markets for the electrovac Group, in particular in the United States, the UK, China and Thailand, have also and may implement further rules and regulations that impact the collection and use of personal data. Changes in the laws and regulations, as well as changes in their interpretation, may give rise to substantial compliance costs, adjustment expenses and fines, which may hamper the electrovac Group's business activities. Legislative initiatives and the corresponding public debates could result in significant uncertainty, regardless of whether such initiatives ultimately become law.

Violations of applicable data protection laws, in particular the use, storage or disclosure of data to third parties without the consent of the data subjects or unauthorised access to data of third parties (including data theft), breach of non-disclosure agreements or loss of information due to cyberattacks could harm the electrovac Group's reputation, could constitute regulatory or criminal offences and could give rise to substantial fines and claims for compensatory damages against the electrovac Group.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Issuer.

3.3.10 Competition laws may expose the electrovac Group to liability risks and restrict its ability to complete acquisitions to expand its business in certain markets.

Non-compliance with applicable competition laws which come to the attention of relevant competition authorities may result in subsequent investigations which may in turn result in the imposition of fines and other sanctions against the electrovac Group and its management, or otherwise expose the electrovac Group to financial liabilities. Any such liabilities may be very high and could have a material adverse effect on the Issuer's business and reputation.

The electrovac Group holds a global market share of more than 25% in the Personal Safety area. Applicable competition laws may limit the Company's ability to take advantage of acquisition opportunities in markets where it may enjoy a dominant position. It may be prevented by the relevant competition authorities from completing acquisitions in certain markets and may incur significant costs related to the review or investigation of any such acquisition by such authorities.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Issuer.

3.3.11 The electrovac Group has to comply with anti-bribery, anti-corruption and anti-money laundering laws. Failure to comply with such laws could result in severe criminal or civil sanctions.

The electrovac Group is subject to anti-corruption and anti-bribery laws and regulations in the countries in which it operates, including Sections 299a and 299b of the German Criminal Code, the US Foreign Corrupt Practices Act and equivalent UK and EU legislation, which prohibit companies and their intermediaries from making or receiving improper payments and for the violation of which severe fines and criminal sanctions can be imposed.

These laws generally prohibit companies and their intermediaries from engaging in bribery or making other prohibited payments, offers or promises to foreign officials for the purpose of obtaining or retaining business or other advantages. The electrovac Group has business in countries generally recognized as having business environments where corrupt activity is more likely to take place, including in China, India and Thailand. The activities in these countries create the risk of unauthorized payments or offers of payments by employees or agents of the electrovac Group which could be a violation of the various anti-corruption laws to which it is subjected. Due to the nature of the electrovac Group's business (particularly in the Personal Safety and Aerospace and Defense areas), its employees and agents are in contact with representatives and individuals who may especially be in the focus of anti-bribery and anti-corruption laws and regulations. For example, this includes procurement officers in state-owned enterprises in China or foreign officials in Thailand.

The electrovac Group is also subject to obligations under anti-money laundering laws passed in many jurisdictions. These anti-money laundering laws generally prohibit any direct or indirect participation in rendering illicit assets (i.e. assets relating to a criminal act of some kind) into "clean" assets (i.e. concealing its illegal origins).

There can be no assurance that any safeguards put in place by the electrovac Group will be effective to prevent compliance violations by its employees, agents or business partners. Any action against the electrovac Group for actual or alleged violations of applicable laws, regulations, or contractual compliance requirements could cause significant legal expenses, damage its

reputation and lead to regulatory or criminal sanctions, monetary fines and cause a loss of business opportunities in the markets in which it operates. Furthermore, the electrovac Group could be suspended or disbarred from public tenders or contracting with government agencies or public international organizations, and it may not be able to receive or maintain its export licenses. This could have a material adverse effect on its reputation, business, results of operations, cash flow or financial condition.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Company.

3.4 Risks related to the Financial Situation

3.4.1 The electrovac Group may not be able to generate sufficient cash flows or obtain additional funds to finance its business operations.

The electrovac Group may in the future not be able to generate sufficient cash flows and thus be required to raise capital to finance its business operations, as it has been the case in the past. This is particularly important in light of the need to make significant capital investments in the installation of new production facilities, purchase new machinery and equipment as well as provide for the maintenance of its existing facilities.

Raising capital by issuing new shares will depend on the condition of equity capital markets in general and the share price of the Issuer in particular, and such share price may be subject to considerable fluctuations (see Section 3.6.2 *"The market price for the Shares may be volatile"*).

Raising capital through debt financing will typically come with collateral in favour of the relevant lenders or other restrictions on the business and financial position of the electrovac Group which may prevent it from growing the business as intended. A breach of covenants under any financing agreements may trigger immediate prepayment obligations, exposing the electrovac Group to refinancing risks, or may allow the lender banks to seize collateral provided by it. In addition, there is a risk that third-party providers of debt financing such as banks might not be willing or able to provide or extend credits or other forms of debt financing to the electrovac Group or not on attractive financing terms. Moreover, interest expenses and the repayment of debt also have a negative effect on cash flows and the ability to pay dividends.

Each of the aforementioned circumstances could expose the electrovac Group to refinancing and liquidity risks, restrict its ability to pursue acquisitions, organic growth projects and other business opportunities, and have a material adverse effect on financial positions and results of operations of the electrovac Group and thus on the Issuer.

3.4.2 An increase in interest rates may adversely affect the profit margins of the electrovac Group

The electrovac Group uses bank loans to finance its general business activities, and such financing in some cases also bears interest at a floating rate. A general rise in interest rates would therefore increase its current interest expenses as well as its future refinancing costs.

Any increase in interest rates could limit the Issuer's operational flexibility and ability to pay dividends, which could have a material adverse effect on its results of operations, cash flows and financial condition.

3.4.3 The electrovac Group is, and expects to continue to be, exposed to foreign currency exchange risks.

The electrovac Group's financial statements are prepared in Euro but a large part of the electrovac Group's business is carried out in currencies other than Euro, in particular in US Dollars, Chinese RMB and Thai Baht. In the financial year ending 31 March 2025, around 30% of its revenue was recognized / reported in other currencies than Euro, and this share is expected to increase further with the expansion in Thailand and the growth of the business in North America. As a result, the electrovac Group is exposed to both transactional and translational foreign currency exchange risk.

Currency transaction risks may arise as a result of invoices the electrovac Group renders in local currencies, while personnel or other expenses are paid in Euro. In addition, the electrovac Group may face a timing issue as a result of differences in exchange rates on the dates commercial transactions are entered into and the dates on which they are settled. The electrovac Group does currently only hedge a relatively small part of its foreign currency exposure, but this may change in the future and may then expose the electrovac Group to further risks of actual losses, as well as the need to make adjustments for financial reporting purposes.

The results of operations and the financial position of the electrovac Group's operating entities are reported in the relevant foreign currencies and then translated into Euro at the applicable exchange rates for inclusion in its consolidated financial statements. The electrovac Group's consolidated financial statements are therefore subject to fluctuations in exchange rates used for the translation of financial information of its businesses whose operational currencies are not the Euro. Such translation could lead to significant changes in its reported consolidated financial results and adversely affect the comparability of the financial results of the electrovac Group between financial periods.

Any such currency fluctuations could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Issuer.

3.4.4 Breaches of covenants or change of control provisions in future financing agreements could lead to an acceleration of payment obligations under these agreements.

The electrovac Group entered into several financing agreements with different banks including Commerzbank or Uni Credit. While currently none of the financing agreements contain covenants that require the electrovac Group to satisfy specified financial tests or maintain specified financial ratios, such covenants e.g. regarding the maximum level of total net debt to EBITDA may become relevant again in the future. The electrovac Group may not be able to maintain its current revenues and profitability at the level required to meet these covenants, for example as a result of M&A transactions. In addition, financing agreements often also contain change of control provisions. A breach of any of these covenants or a change of control could lead to less favourable terms such as higher interest rates or to acceleration or termination of the respective financing agreement by the lender bank. The bank could declare all outstanding repayment rates together with accrued interest, fees and other amounts due under the respective financing agreement to be immediately due and payable.

Should any loans be called before maturity, the electrovac Group may not be able to conclude refinancing on similar terms. This could become critical in particular at times when the global financial markets are volatile and lenders may be more unwilling to provide financing. In addition, refinancing terms would depend on the operational or financial performance of the electrovac Group at that time. Hence, any deterioration of its performance may adversely affect its ability to renegotiate finance agreements at satisfactory conditions or at all.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Issuer.

3.5 Risks due to the Shareholder Structure

3.5.1 The Existing Shareholders may enforce their interests to the detriment of the interest of other shareholders.

Upon completion of the Offering, the Selling Shareholder, which in turn is indirectly controlled by Christian and Michael Beuthauser (together, the "**Beuthauser Family**"), will continue to hold approximately 51.43% of the Shares (assuming placement of 3,840,000 New Shares, i.e., the number of shares required to achieve the targeted gross proceeds of EUR 35 million, 300,000 Selling Shares and 621,000 Overallotment Shares, i.e., full placement of all Selling and Overallotment Shares). Due to its significant shareholding after completion of the Offering, the Selling Shareholder will continue to be able, through the exercise of votes, to determine the outcome of shareholders' resolutions at the Issuer that require a simple majority of the votes cast, including on such matters as the use of distributable profit (*Bilanzgewinn*), certain capital measures and the dividend policy of the Issuer. Even if the shareholding falls below 40% after the Offering and depending on the actual shareholder attendance levels at the Issuer's shareholders' meeting (*Hauptversammlung*, "**Shareholders' Meeting**"), the Existing Shareholders or even the Selling Shareholder alone may remain in a position to adopt resolutions that require the consent of at least three quarters of the share capital represented at the time the resolution is adopted (for example, the creation of authorized or conditional capital, the exclusion of subscription rights for new shares and convertible instruments, amendments to the corporate purpose and the approval of mergers, profit and loss transfer agreements, divestures and changes in corporate structure). Furthermore, the Existing Shareholders and even the Selling Shareholder alone could prevent the Shareholders' Meeting from adopting any resolutions if it attends the meeting and votes against the proposal.

The interest of the Existing Shareholders might conflict with the interest of the other shareholders and they might enforce their interest to the detriment of the interest of the other shareholders. Decisions in a German stock corporation's shareholders' meeting require in most cases 50% or for more important decisions 75% of the capital represented in the votes. With its current level of shareholding the Selling Shareholder can control all those decisions. Even after the full placement of the Shares that are the subject of the Offering, the Selling Shareholder will have approximately 51.43% of the voting rights in the Issuer which is likely to be an effective majority in most shareholder's meetings of the Issuer.

As a consequence, the Selling Shareholder could assert its interests against the will of other shareholders. For example, a conflict of interest could arise if the Issuer intends to carry out a capital increase and the Selling Shareholder is unwilling or could be unable to fully participate in such capital increase, but at the same time wants to prevent its shareholding from being diluted.

Even the possibility of exercising its influence could have a material adverse effect on the price of the Shares and could make it difficult for the Issuer to raise new capital in the future.

3.5.2 There are risks with respect to Related Party Transactions.

The Company and some of the operational subsidiaries of the electrovac Group have entered, and may continue to enter, into transactions, agreements and relationships with related parties, including its direct or indirect shareholders, members of the Company's supervisory board and members of the electrovac Group's management as well as entities these persons control ("**Related Party Transactions**"). The Related Party Transactions include inter alia shareholder loan agreements, sale and lease back and lease agreements regarding business premises, the supply of products, employment agreements with related persons as well as the provision of shared services and consulting contracts.

Even though the Company believes that the past and existing Related Party Transactions have been concluded at arm's length and with the approval of the relevant corporate bodies, and the consulting agreements with the members of the Company's supervisory board will largely terminate at the end of 31 March 2026 at the latest, it cannot be excluded that the competent tax authorities may impose additional taxes with respect to the Related Party Transactions (please also refer to Section 3.3.3 for more details regarding possible tax risks).

Furthermore, Related Party Transactions present potential conflicts of interest because decisions regarding their terms may be influenced by persons who have interests in the counterparties. Such conflicts, or the perception of them, may undermine investor confidence in the Company's governance and could give rise to regulatory scrutiny, shareholder litigation or reputational harm. Although the Company has implemented policies requiring the review and approval of Related Party Transactions by the supervisory board and in certain cases also by the shareholders' meeting, there can be no assurance that all such transactions are, or will be, on terms obtainable from independent third parties. If terms are less favorable than at arm's length, the Company's results of operations, cash flows and financial position could be adversely affected.

The Company's ability to identify, authorize, account for and disclose Related Party Transactions depends on the effectiveness of its internal controls and the completeness and accuracy of information provided by related persons. Regulatory authorities, including securities regulators and tax authorities, focus on the adequacy of related party disclosures and governance. Deficiencies in controls or disclosures could result in comments or enforcement actions, financial reporting restatements, fines or other sanctions, any of which could materially and adversely affect the Company. These risks may be heightened to the extent the Company remains subject to significant influence or control by the Existing Shareholders, whose interests may differ from those of minority investors, including with respect to future Related Party Transactions, dividend policy or corporate opportunities.

3.5.3 The Issuer is a holding company, whose liquidity depends on dividend payments or loans from the electrovac Group companies.

The Issuer is a holding company without any substantial business operations of its own. In addition to the cash it raises from debt and equity funding, its liquidity comes from license royalties for the use of the electrovac brand by its subsidiaries and dividend payments made by its operational subsidiaries. If these subsidiaries should fail to generate sufficient profits, or if these

subsidiaries should generate losses, this could have material adverse effects on the Issuer's liquidity and its results of operation, and thus, in particular, on the ability of the Issuer to pay dividends. Any potential insolvency of a subsidiary could, furthermore, also trigger the insolvency of the Issuer.

Each of the aforementioned circumstances could have a material adverse effect on the assets, financial positions and results of operations of the electrovac Group and thus on the Issuer.

3.6 Risks due to the Offering and the Admission

3.6.1 The Offering may not result in an active and liquid market for the Shares.

No assurance can be given that liquid trading in the Shares will develop after the Offering and that the stock exchange price will not fall below the offer price. The offer price for the Shares which are offered with this prospectus will not necessarily provide any indication of the stock exchange price at which the Shares will subsequently be traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) or on any other exchange.

The Issuer cannot make forecasts as to the extent that investors' interest in its shares will foster trading, nor whether a liquid trading market will develop. As the Selling Shareholder is expected to control at least approximately 51.43% of the Issuer's share capital in aggregate, the number of free float Shares are limited which could also adversely affect the development and maintenance of a liquid trading market for the Shares. The stock exchange price of the Shares could become subject to greater volatility and therefore buy and sell orders might be executed less efficiently. Under certain circumstances, investors might not be able to sell their Shares at the purchase price set for the Offering or at a higher stock exchange price; or they might not even be able to sell them at all.

The price at which the Shares are bought by investors may not correspond to the price at which such Shares will be traded later on the Frankfurt Stock Exchange, or on any other exchange. There is no guarantee that active trading in the Shares will develop or continue after the Offering. Shareholders could possibly find themselves in a position where they are unable to sell their Shares at the purchase price fixed for the Offering, at a higher trading price, or at all. The share price at the time of the Offering, and immediately thereafter, does not constitute any guarantee concerning the prices that will develop on the market thereafter. As a consequence, investors could lose some or all of their invested capital.

3.6.2 The market price for the Shares may be volatile.

Following the Offering, the market price of the Shares may be highly volatile and may not always accurately reflect the underlying value of the Issuer's business. Factors such as, inter alia, variations in the Issuer's revenue, earnings and cash flows, the failure to meet analysts' expectations, announcements of new investments, strategic alliances and/or acquisitions as well as changes in laws and regulations could cause the market price of the Shares to change substantially. If the share price declines, investors may be unable to resell the Shares at or above their purchase price. Investors may also be unable to sell the Shares quickly or at all if no active trading market for the Shares develops.

The share price is determined by supply and demand for the Shares and does not necessarily reflect the fair value of the Issuer. The general volatility of stock exchange prices could also exert

pressure on the market price of the Shares, and it is therefore possible that the Shares will be subject to changes in price that may not be directly related to the Issuer's financial and business performance or its business prospects.

3.6.3 The sale, or perceived sale, of Shares by the Existing Shareholders could adversely affect the market price of the Shares.

The Selling Shareholder holds more than 75% of the Shares and the Existing Shareholders will continue to hold a significant portion of the Shares even if all shares which are subject to the Offering are placed. The Existing Shareholders together will hold approximately 74.12% of the Shares if all of the Placement Shares can be placed, and 70.24% of the Shares if all of the Offered Shares can be placed.

The Existing Shareholders have agreed for a period of 12 months, not to sell or otherwise, directly or indirectly, transfer or dispose of Shares or enter into an economically equivalent transaction. The Issuer and the Joint Bookrunners can, however, not give any assurances that the Existing Shareholders will always observe and comply with this undertaking. Moreover, the lock-up undertakings are limited in time and provide for certain exceptions. Therefore, a sale of Shares before the expiration of the agreed lock-up period cannot be ruled out. In addition, once the lock-up period ends, the likelihood that the Existing Shareholders may sell any of their remaining Shares will increase.

A sale of all or a substantial number of the Shares of the Existing Shareholders or only the speculation around such sale could negatively affect the stock market price of the Shares. In addition, any such sale would reduce the shareholding of the Selling Shareholder in the Issuer, and may therefore also impair the Issuer's ability to raise further capital in the future.

3.6.4 Future capitalization measures may lead to substantial dilution (i.e., a reduction in the value of the Shares and the control rights of existing shareholders' interests in the Issuer). Future offerings of debt or equity securities may adversely affect the market price of the Shares.

The Issuer may require additional capital in the future to finance its business operations and growth, in particular as it plans to conduct acquisitions and expand existing production plants as part of its growth strategy. Hence, the Issuer may seek to raise such capital through the offering and issuance of new shares or debt securities with conversion rights (e.g., convertible bonds or option bonds), which could reduce the market price of the Shares. The Issuer's Articles of Association provide for an authorized share capital in an amount of EUR 6,080,000.

The raising of additional equity through the issuance of new shares without granting subscription rights to the Issuer's existing shareholders could substantially dilute the voting rights of such existing shareholders and reduce the value of their interests in the Issuer. Since the decision to issue new shares depends on market conditions and other factors beyond the Issuer's control, the Issuer cannot predict or estimate the amount, timing or nature of future offerings. Thus, the existing shareholders bear the risk that future offerings might reduce the market price of the Shares and dilute their shareholdings in the Issuer.

The materialization of this risk could cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

3.6.5 The Issuer may fail to comply with the additional requirements that will be applicable to it as a public company listed in the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment with additional post-admission obligations (Prime Standard).

Following the Admission to Trading of the Shares, the Issuer will for the first time be directly subject to the legal requirements of German companies listed on a regulated stock market. The Issuer's management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, reporting and transparency requirements, listing standards and securities and investor relations issues. Furthermore, the requirements regarding risk management systems, management information systems, controlling and accounting will increase.

The Issuer will have to implement the necessary changes to its internal control systems, and there is no guarantee that it will be able to comply with these additional requirements without difficulties and inefficiencies. In addition, the preparation, convening and conduct of its General Shareholders' Meeting as well as regular shareholder communication will incur substantial expenses.

The materialization of any of the risks described above could have a material adverse effect on the Issuer's business, net assets, financial condition, cash flows and results of operations.

3.6.6 Risk of insolvency of the Issuer may result in a partial or full loss of the investment.

An investment in the Shares entails an equity risk. In the event of the Issuer's insolvency, shareholders may lose part or all of their invested capital. As the creditors hold priority claims which would be paid off first, shareholders would only be entitled to payments after creditor claims have been settled in full.

3.6.7 The Offering might be withdrawn or only part of the Offered Shares might be placed / issued.

The Offering might be withdrawn for a number of reasons. In particular, the Joint Bookrunners are entitled to terminate the Underwriting Agreement or to decide, together with the Issuer, to extend the period of the Offering under certain circumstances. These circumstances include, in particular, material adverse economic or political changes or state interventions that have, or are expected to have, material adverse effects on the financial markets and render the capital increase the Offering is based on unreasonable and unacceptable for the Joint Bookrunners. Furthermore, the Underwriting Agreement is conditional on financial markets allowing a successful placement and the realization of the Offer Price at the time of the placement. The Joint Bookrunners are entitled to terminate the Underwriting Agreement in the event of other circumstances that in the reasonable assessment of the Joint Bookrunners render the capital increase unreasonable.

If the Joint Bookrunners terminate the Underwriting Agreement or the Issuer withdraws from the Offering before the implementation of the capital increase has been registered with the commercial register, the Offering will not take place and any allocations to investors that have already occurred will be invalid and investors will not have a claim for delivery of the Issuer's

shares. Claims with regard to any subscription fees and costs incurred in connection with the purchase orders are governed solely by the legal relationship between the investor and the institution with which the investor has submitted its purchase order.

3.6.8 The Issuer may not be able to pay dividends in the foreseeable future.

The General Shareholders' Meeting will resolve on matters relating to the payment of dividends in the future. These decisions will be based on the situation of the Issuer at the time. The ability of the Issuer to pay out dividends depends on various aspects and circumstances, including the results of operations, financing, and investment requirements of the electrovac Group, as well as the availability of distributable profits. Certain reserves must be established by law and must be deducted when calculating such distributable profits. The Issuer may accordingly not be able to generate sufficient unappropriated retained earnings to be able to distribute dividends under requirements of German corporate law.

Furthermore, the electrovac Group's future bank loans may contain covenants and other provisions that may restrict the ability of the Issuer to pay dividends. Any of these factors, individually or in combination, could restrict the ability of the Issuer to pay dividends.

In addition, there is no certainty that future dividends can be distributed in line with previous dividend distributions, or that any dividend will be able to be distributed at all. As a consequence, the share price may fall, in which case investors could lose some or all of their investment.

4. GENERAL INFORMATION

4.1 Responsibility Statement

electrovac AG, Anglstraße 4, 94121 Salzweg, Germany (the "**Company**", the "**Issuer**" or, together with its direct and indirect subsidiaries the "**electrovac Group**"), as well as BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, and B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main ("**Metzler**", BankM and Metzler, each a "**Joint Global Coordinator**", "**Joint Lead Manager**", "**Joint Underwriter**" and "**Joint Bookrunner**" and together the "**Joint Global Coordinators**", "**Joint Lead Managers**", "**Joint Underwriters**" and "**Joint Bookrunners**") assume responsibility for the content of this Prospectus pursuant to Section 8 of the German Securities Prospectus Act (Wertpapierprospektgesetz - WpPG) in conjunction with Article 11 Prospectus Regulation and declare that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts, and that this Prospectus makes no omission likely to affect its import.

4.2 General Notes

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the "**EEA**").

Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company's affairs or that the information set forth in this Prospectus is correct as of the date hereof. The information contained in this Prospectus will not be updated subsequent to the date hereof except for any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Offered Shares (as defined below) and which arises or is noted between the time when this Prospectus is approved and the closing of the offer period or the time when trading of the Company's shares on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment of the regulated market with additional post-admission obligations (*Prime Standard*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) commences ("**Listing**"), whichever occurs later, in accordance with Article 23 of the Prospectus Regulation, which will be disclosed in a supplement to this Prospectus pursuant to Article 21 of the Prospectus Regulation without undue delay. In any event, the obligation to supplement a prospectus does no longer apply when a prospectus is no longer valid.

The closing of the offer period is expected to occur on 27 April 2026 and the time when trading on a regulated market commences is expected to occur on 30 April 2026. Accordingly, the validity of this Prospectus will expire with the beginning of the trading of the Company's Shares on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), expected on 30 April 2026, and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this Prospectus is no longer valid.

4.3 Competent Authority Approval

This Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**")), Marie-Curie-Straße 24-28, 60439

Frankfurt am Main, Germany, telephone +49 228 4108 0, website: www.bafin.de, as the competent authority under the Prospectus Regulation on 15 April 2026. BaFin has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

4.4 Purpose of the Prospectus

This Prospectus relates to the offering of up to 4,761,000 bearer shares (*Inhaberaktien*) of the Company with no par value (*Stückaktien*), each such share representing a notional value of EUR 1.00 (the "**Offering**"), comprising:

- 3,840,000 newly issued no-par value bearer shares from the capital increase against cash contribution expected to be resolved by the Shareholders' Meeting on 27 April 2026 (the "**New Shares**"), and
- 300,000 existing no-par value bearer shares (the "**Selling Shares**", together with the New Shares the "**Placement Shares**"), from the holdings of Electrovac Holding AG (the "**Selling Shareholder**"), and
- 621,000 existing no-par value bearer shares from the holdings of the Selling Shareholder for purposes of a potential overallotment (the "**Overallotment Shares**", together with the Placement Shares the "**Offered Shares**").

For the purpose of the Admission to Trading, this Prospectus relates to up to 3,840,000 New Shares and all 12,160,000 existing bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*) of the Company (together the "**Admission Shares**"), corresponding to the Company's entire share capital after completion of the Offering.

Each Admission Share is a bearer share with no-par value (*Inhaberstückaktie*) representing a notional value of EUR 1.00 of the Company's share capital and carrying full dividend rights as of 1 April 2025.

The Offering consists of an initial public offering in Germany and private placements in certain jurisdictions outside Germany and the United States. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and are only being offered outside the United States in reliance on Regulation S under the Securities Act.

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorized or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the filing of this Prospectus in Germany in order to permit a public offering of the shares and the public distribution of this Prospectus in Germany. The distribution of this Prospectus and the Offering of the shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by the Company to inform themselves about, and to

observe and comply with, any such restrictions at their own expense and without any liability of the Company.

4.5 Forward-looking Statements

This Prospectus includes forward-looking statements. Forward-looking statements are all those which are not based on historical or current facts and events. This also comprises statements as described in Section “19 - *Recent Developments and Outlook*” and any information in the Prospectus regarding future financial earning capacity, plans and expectations in relation to the Company’s business, growth and profitability and the economic conditions which the Company is subject to. Forward-looking statements are based on a current assessment which is made to the best of the Company’s knowledge. Such forward-looking statements are based on assumptions and influencing factors and are, therefore, subject to risks and uncertainties. That is why in particular Sections 3 “*Risk Factors*” and 19 “*Recent Developments and Outlook*”, which outline in detail the factors which could exert an influence on the business development of the Company and on the segments in which the Company is active, should absolutely be read.

Beyond its statutory obligations, the Company does not intend to update these kinds of forward-looking statements and/or to adapt them in light of future events or developments.

Pursuant to Article 23 of the Prospectus Regulation, the Company is obliged to produce and publish a supplement to the Prospectus, if new circumstances arise or a significant inaccuracy with regard to the information contained in the Prospectus becomes known which could influence the evaluation of Company shares and which arises or is established after this Prospectus is approved.

4.6 Statutory Auditor

The Company’s general shareholders’ meeting (*Hauptversammlung*) appointed BDO AG, Wirtschaftsprüfungsgesellschaft, Hamburg, acting through its branch at Zielstattstraße 40, 81379 München, Germany (“**BDO**”) as statutory auditor for the financial year ending on 31 March 2026. BDO is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*) and the Chamber of Tax Consultants (*Steuerberatungskammer*).

The following financial statements contained in this Prospectus have been audited or reviewed by BDO (please also refer to Section 21 “*Financials*”) and to the extent they are audited are accompanied by an unqualified auditors’ report, copies of which are included in this Prospectus:

- the audited consolidated financial statements of the electrovac Group in accordance with IFRS as at and for the financial years ended on 31 March 2023, 2024 and 2025 (“**Audited Consolidated Financial Statements**”);
- the audited single entity financial statements of the Company in accordance with the German Commercial Code (*Handelsgesetzbuch*) for the financial year ended on 31 March 2025;
- the unaudited interim consolidated financial statement of the electrovac Group in accordance with IFRS for the period of 1 April 2025 until 31 December 2025 (“**Unaudited Interim Consolidated Financial Statement**”).

The financial statements mentioned above have been prepared in German language and for the purposes of this Prospectus been translated into English.

4.7 Note Regarding Financial Data and Currency

Where financial information in the tables included in this Prospectus is labeled “audited”, this means that it has been taken from the Audited Consolidated Financial Statements. The label “unaudited” indicates financial information that has not been taken from the Audited Consolidated Financial Statements, but was taken from the Unaudited Interim Consolidated Financial Statements or the accounting records or internal reporting system of the electrovac Group, or is based on calculations of figures from the aforementioned sources. Certain of the financial measures presented in this Prospectus are not defined or required measures of financial performance under IFRS, but have been prepared on the basis of IFRS figures and should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to profit for the year as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS. Therefore, these figures may deviate from, and may not be comparable to, data based on IFRS financial information presented elsewhere in the Prospectus. Unless indicated otherwise, all financial information presented in the text and tables included in this Prospectus is shown in thousands of Euro (in kEUR).

Some figures cited in this Prospectus (including percentages) have been subjected to commercial rounding according to established commercial standards. Such commercially rounded figures and the associated percentages cited in the tables may not necessarily add up precisely to the totals given in the tables. However, the percentages used in the text were computed based not on commercially rounded values, but on actual values. Therefore, the percentages in the text may differ in some cases from percentages calculated based on rounded values.

In this Prospectus, "Euro" and "EUR" refer to the single European currency adopted by certain participating member states of the EU, including Germany. Fluctuations in the exchange rate between the Euro and the other currencies will affect the amounts received by owners of the Shares in such other currencies upon conversion of dividends, if any, paid in Euro on the Shares. The amounts set forth in this Prospectus in "US\$" or "USD" refer to the legal currency of the United States. The functional currency of the Company is the Euro and we present our financial statements in Euro. If numerical data in other currencies are cited, this is expressly noted by specification of the appropriate currency or currency symbol.

4.8 Third Party Data

This Prospectus contains a number of references to third party data, statistical information and studies, especially regarding the market environment and similar matters pertaining to the electrovac Group's business and market. Information in this Prospectus that is sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, prospective investors are advised to consider market-related statistics, data and other information with caution.

Market studies are often based on information and assumptions which may be neither precise nor accurate, and their methodology is inherently predictive and speculative. This Prospectus also contains estimates made by the Company relating to market data of third parties that are based on published market data of figures from publicly available sources. Neither the Company nor the Joint Underwriters have independently verified the figures, market data and other information used by third parties in their studies. Accordingly, the Company and the Joint Underwriters

assume no responsibility and make no representation or warranty as to the accuracy of the information contained in studies of third parties included in this Prospectus.

In compiling this Prospectus, the Company relied on the sources mentioned below:

- Deutsches Institut für Wirtschaftsforschung (“**DIW**”), German Economy Poised for Upturn Thanks to Fiscal Package; Uncertainties in the Global Economy, dated 10 September 2025, available from https://www.diw.de/documents/publikationen/73/diw_01.c.973581.de/dwr-25-36-1.pdf (“**DIW, German Economy Outlook**”);
- European Commission, European Economic Forecast Autumn 2025, dated 17 November 2025, available from https://economy-finance.ec.europa.eu/document/download/34538512-fff6-451a-8bbc-4c8d60e4d132_en?filename=ip327_en.pdf (“**European Commission, Economic Forecast**”);
- Grand View Research, Automotive Airbag and Seatbelt Market 2025-2030, undated, available from <https://www.grandviewresearch.com/industry-analysis/Automotive-airbag-seat-belt-market> (“**Grand View Research, Airbag and Seatbelt Market**”);
- Grand View Research, Global Hermetic Packaging Market Size & Outlook 2025-2030, undated, available from <https://www.grandviewresearch.com/horizon/outlook/hermetic-packaging-market-size/global> (“**Grand View Research, Global Hermetic Packaging Market**”);
- International Monetary Fund (“**IMF**”), Regional Economic Outlook for Asia and Pacific, dated October, 2025, available from <https://www.imf.org/en/publications/reo/apac/issues/2025/10/24/regional-economic-outlook-for-asia-and-pacific-october-2025?utm> (“**IMF, Economic Outlook Asia and Pacific**”);
- Market Growth Reports, Marktübersicht für KFZ Airbags, dated 24 November 2025, available from <https://www.marketgrowthreports.com/de/market-reports/automotive-airbags-market-112069> (“**Market Growth Reports, Airbag Market Overview**”);
- Maximize Market Research, Cascadia Advanced Manufacturing in Aerospace, Space and Defence Industry Report 2024, dated 30 June 2024, available from <https://www.cascadiacapital.com/wp-content/uploads/Cascadia-Advanced-Manufacturing-in-Aerospace-Space-Defense-Report-July-2024.pdf> (“**Maximize Market Research, Aerospace, Space and Defense Industry Report**”);
- Organisation for Economic Co-operation and Development (“**OECD**”), OECD Economic Outlook Interim Report, dated September, 2025, available from https://www.oecd.org/en/publications/2025/09/oecd-economic-outlook-interim-report-september-2025_ae3d418b.html?utm (“**OECD, Economic Outlook**”);
- Politico, Germany’s Rearmament Upends Europe’s Power Balance, date 12 November 2025, available from <https://www.politico.eu/article/germany-rearmament-upends-europes-power-balance-military/> (“**Politico, Germany’s Rearmament**”);

- Straitresearch, Markt für Auto-Airbags Größe und Ausblick 2024-2030, dated August, 2024, available from <https://straitresearch.com/de/report/automotive-airbag-market> („**Straitresearch, Airbag Market Size and Outlook**”);
- Verband der Automobilindustrie (“**VDA**”), PKW Inlandsproduktion, undated, available from <https://www.vda.de/de/themen/Automobil-Insight-2024/Pkw-Produktion-international-2024> (“**VDA, Domestic Car Production**”);
- World Bank Group, East Asia and Pacific Economic Update, dated October, 2025, available from <https://www.worldbank.org/en/publication/east-asia-and-pacific-economic-update-october-2025> (“**World Bank, Economic Update East Asia and Pacific**”).

4.9 Documents Available for Inspection

For the duration of the validity of this Prospectus, hard copies of the following documents may be inspected during regular business hours at the Company in Salzweg, Germany:

- this Prospectus;
- the Company’s articles of association (*Satzung*) and the adopted rules of procedure (*Geschäftsordnung*) for the management board and the supervisory board;
- an excerpt from the commercial register of the Company (*Handelsregisterauszug*);
- the audited consolidated financial statements of the electrovac Group in accordance with IFRS as at and for the financial years ended on 31 March 2023, 2024 and 2025;
- the audited single entity financial statements of the Company in accordance with the German Commercial Code (*Handelsgesetzbuch*) for the financial year ended on 31 March 2025; and
- the unaudited interim consolidated financial statements of the electrovac Group in accordance with IFRS for the period of 1 April 2025 until 31 December 2025.

All future annual and interim reports of the Company will be available at the Company’s offices and on the Company’s website: www.electrovac.com.

Information on the Company's website www.electrovac.com and information accessible via this website is neither part of, nor incorporated by reference into, this Prospectus, and such information has not been scrutinized or approved by BaFin unless incorporated into this Prospectus.

4.10 Alternative Performance Measures

This Prospectus includes certain non-IFRS financial measures and ratios, as described below, which are neither defined nor required under IFRS or any other applicable accounting standards (together, the “**Alternative Performance Measures**”). These Alternative Performance Measures may not be directly comparable to similarly titled measures used by other companies and should be read in conjunction with the electrovac Group’s IFRS financial information.

Alternative Performance Measures do not represent indicators of the electrovac Group's operating performance or liabilities as defined under IFRS. Investors should consider this when evaluating such measures as alternatives to operating profit, electrovac Group's net income, or other performance indicators prepared in accordance with IFRS or other generally accepted accounting principles, or as substitutes for cash flows from operating, investing, or financing activities or for liabilities.

Investors should base their assessment of the electrovac Group's performance primarily on its IFRS results, supplemented by the Alternative Performance Measures discussed herein. The Issuer presents Alternative Performance Measures to assess operating performance, Net Debt and Working Capital (each as defined below), and to support its strategic planning and forecasting processes. The Issuer also believes that non-IFRS measures and similar indicators are widely followed by certain investors, securities analysts and other market participants as additional tools for evaluating operating performance and financial position.

The following list includes explanations of the definitions of certain – in the Issuer's view most relevant – key Alternative Performance Measures, as well as information regarding such Alternative Performance Measures' relevance:

(1) Trade working capital

Trade working capital is a non-IFRS financial measure and calculated as the sum of current trade receivables and inventories minus current trade payables. This measure is relevant for the Issuer as it reflects the electrovac Group's short-term liquidity and operational capital efficiency, which are key performance indicators in the manufacturing industry.

(2) Gross profit

Gross profit is a financial measure representing the difference between the electrovac Group's net sales and its cost of sales. It is calculated by deducting cost of sales from net sales as presented in the consolidated financial statements. Gross profit is relevant for the Issuer as it is a key indicator commonly used to assess the profitability of the core operations before taking into account other operating expenses, finance costs and taxes, and therefore provides investors with an important measure of the efficiency of the electrovac Group's production and pricing.

(3) Gross profit margin

Gross profit margin is a non-IFRS financial measure, which is defined as the ratio of gross profit to net sales. This measure is relevant for the Issuer because it indicates the profitability of its core production and sales activities and, in particular, its ability to generate profit after covering direct costs of sales.

(4) EBIT

EBIT is a non-IFRS financial measure that is determined by taking the result for the period and adding back interest expenses, subtracting interest income, and adjusting for income tax (expense) / benefit, while including depreciation and amortization. This measure is relevant for the Issuer as it reflects the Issuer's operating performance before the impact of its financing structure and income taxes, thereby providing an indication of its underlying profitability from operations.

(5) EBIT margin

EBIT margin is a non-IFRS financial measure that is defined as the ratio of EBIT to net sales. This measure is relevant for the Issuer as it indicates its profitability from operations before the impact of its financing structure and income taxes, and, in particular, its ability to generate earnings from its core business activities relative to its net sales.

(6) EBITDA

EBITDA is a non-IFRS financial measure that is determined by taking the result for the period and adding back interest income, interest expenses, other financial income, other financial expenses, income tax (expense) / benefit, as well as depreciation and amortization. This measure is relevant for the Issuer as it reflects the Issuer's operating performance independently of its financing structure, tax position and non-cash depreciation and amortization charges.

(7) EBITDA margin

EBITDA margin is a non-IFRS financial measure that is calculated as the ratio of EBITDA to net sales. This measure is relevant for the Issuer as it reflects the electrovac Group's operating profitability and its ability to generate earnings from its core business activities, and is commonly used by investors and analysts to assess operational performance and compare profitability across companies in the industry.

(8) Net debt

Net Debt (or net financial debt) is a non-IFRS measure that is determined by adding non-current bank loans and borrowings, non-current loans from related parties/affiliated companies, non-current other financial liabilities, current bank loans and borrowings, current loans from related parties / affiliated companies and current other financial liabilities and then subtracting cash and cash equivalents. This metric is important for the Issuer as it is a commonly used financial indicator in the manufacturing sector to illustrate the electrovac Group's level of financial leverage and to serve as a basis for calculating financial covenants under financing arrangements.

(9) Net debt to EBITDA

The net debt to EBITDA ratio is a non-IFRS financial measure that is calculated as the ratio of net debt (as defined below) to EBITDA. Net debt typically represents total interest-bearing liabilities minus cash and cash equivalents (and, depending on the specific definition, certain other liquid assets or adjustments as set forth in the relevant agreements or reports). This measure is relevant for the Issuer as it provides an indication of the Issuer's financial leverage and its ability to service and repay its debt from operating cash flows generated by its core business activities.

(10) Free cash flow

Free cash flow is a non-IFRS financial measure. It is derived by taking the operating cash flow and subtracting the investing cash flow. This measure is relevant for the Issuer as it indicates the amount of cash remaining after expenditures on capital investments have been deducted.

(11) Cash conversion

Cash Conversion is a non-IFRS financial measure. It is determined by dividing operating cash flow by EBITDA. This measure is relevant for the Issuer as it indicates the electrovac Group's ability to translate earnings into cash, its capacity to fund capital expenditures from internally generated funds, and its overall cash generation efficiency, which is a key indicator of financial flexibility, liquidity quality and the sustainability of operating performance.

(12) Capital employed

Capital employed is a non-IFRS financial measure calculated as the sum of net debt and total equity. It represents the total capital invested in the electrovac Group's operations and is used to assess capital efficiency and the relationship between operating performance and the underlying capital base.

(13) ROCE

ROCE (return on capital employed) is a non-IFRS financial measure. It is determined by dividing net operating profit after tax (NOPAT) by capital employed. This measure is relevant for the Issuer as it indicates how efficiently the electrovac Group utilizes its capital base to generate earnings.

(14) CAPEX

CAPEX is a non-IFRS financial measure. It is determined as the aggregate of additions to property, plant and equipment and additions to intangible assets and goodwill. This measure is relevant for the Issuer as it represents the Issuer's investments in its asset base.

(15) CAPEX net sales ratio

The CAPEX to sales ratio is a non-IFRS financial measure, which is determined by dividing CAPEX by sales. This measure is relevant for the Issuer as it indicates the share of the Company's sales that is reinvested into its operations.

For the reconciliation of these Alternative Performance Measures, see Section "10.5. *Alternative Performance Measures*".

5. THE OFFERING

5.1 Subject Matter of the Offering

The Offering will be made and trading in the Offered Shares will take place in Euro ("**EUR**"). The Offered Shares are denominated in EUR. The Offered Shares are being offered by the Company together with BankM and Metzler.

The Offering consists of a public offering of up to 4,761,000 bearer shares (*Inhaberaktien*) of the Company with no par value (*Stückaktien*), each such share representing a notional value of EUR 1.00, comprising:

- 3,840,000 New Shares,
- 300,000 Selling Shares, and
- up to 621,000 Overallotment Shares.

The Offering consists of an initial public offering in Germany and private placements in certain jurisdictions outside Germany and the United States. The shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and are only being offered outside the United States in reliance on Regulation S under the Securities Act.

Any New Shares placed to investors will originate from a capital increase against contribution in cash expected to be resolved by an extraordinary shareholders’ meeting of the Company on or about 27 April 2026 in accordance with Sections 182 seq. German Stock Corporation Act (*Aktiengesetz*). The Company’s existing shareholders will waive their subscription rights to the New Shares. The application for registration of the resolution on the capital increase is expected to be made with the commercial register of the local court (*Amtsgericht*) of Passau on or around 27 April 2026. It is expected that registration and effectiveness of the capital increase will take place on or around 28 April 2026 and that the Company will issue a respective global share certificate that will be lodged with Clearstream Europe AG, Mergenthalerallee 61, 65760 Eschborn, Germany, on the same day. Assuming that the maximum number of New Shares is issued, the share capital of the Company after the capital increase will amount to EUR 16,000,000.00 consisting of 16,000,000 no par value ordinary bearer shares with a notional value of EUR 1.00 per share.

Depending on the extent to which the Offered Shares are placed with investors, the Offered Shares will represent a calculated total of up to 29.76% of the Company’s share capital (after registration of the respective capital increase with the commercial register). Thus, taking into account the maximum placement volume of the Offered Shares, up to 29.76% of the Company’s shares will be offered under the Offering (calculated on the basis of 16,000,000 shares of the Company in issue following full implementation of the capital increases against cash contributions). The Offered Shares which constitute the subject-matter of the Offering carry the same rights as all other shares of the Company and confer no additional rights or benefits.

The net proceeds from the sale of the New Shares under the Offering will accrue to the Company.

BankM and Metzler are acting as Joint Global Coordinators, Joint Lead Managers, Joint Underwriters and Joint Bookrunners.

5.2 Terms of the Offering

5.2.1 Price Range and Offer Price

The Company targets gross proceeds of approximately EUR 34.6 million from the sale of the New Shares. The price range within which purchase orders may be submitted is between EUR 7.80 and EUR 10.20 per Offered Share (the “**Price Range**”). It has been set to ensure that at the mid-

point of the Price Range with an offer price for the Offering (the "**Offer Price**") of EUR 9.00, the Company would still achieve its target proceeds.

5.2.2 Offer Period, Institutional and Retail Investors

The period, during which investors will be given the opportunity to submit orders for the Offered Shares, is expected to begin on 15 April 2026 and is expected to end on 27 April 2026 (the "**Offer Period**"), provided that the Offer Period will not begin prior to publication of the Prospectus. On the final day of the Offer Period, retail investors and institutional investors will be able to submit offers to purchase shares until 12:00 noon (Central European Time). Investors can set a price limit within the price range for each purchase order. Purchase orders must be denominated in round Euro amounts or round Euro cent figures of 25 cents, with the exception of purchase orders at the lowest end of the price range (EUR 7.80) and at the highest end of the price range (EUR 10.20), which is acceptable. Multiple purchase orders are permitted. The minimum purchase order amount is 100 Shares, unless Shares are ordered via the Subscription Tool established on the Company's website in which case the minimum purchase order is 250 Shares. There is no maximum amount for purchase orders. Orders are freely revocable until the respective Offer Period expires. However, revocation of purchase orders cannot occur after allocation of the Offered Shares. Usually, even in the event of a partial or full withdrawal or reduction in a purchase order, it will not be necessary to reimburse overpaid amounts, since the allocation of the Offered Shares shall take place after the end of the Offer Period by way of payment against delivery and investors therefore do not pay the Offer Price in advance. If, in individual cases, an investor already paid the amounts and then withdraws its purchase order in full or in part, or reduces its purchase order, the paid amount will be reimbursed to the investor without undue delay (*unverzüglich*) to the bank account used for the deposit.

During the Offering Period, retail investors may submit purchase orders for the public offering in the Federal Republic of Germany via their (depository) bank or broker to the Joint Bookrunners. Retail investors can also submit purchase orders during the offer period via the subscription functionality (*Zeichnungsfunktionalität*) DirectPlace of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the exchange electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) ("**XETRA**") for the recording and processing of subscription offers ("**DirectPlace**").

Retail investors wishing to acquire Offered Shares via the subscription functionality DirectPlace of the Frankfurt Stock Exchange must place their binding purchase orders via their respective custodian bank during the Offer Period for the public offer via the subscription function DirectPlace of the Frankfurt Stock Exchange. The use of the subscription functionality DirectPlace requires that the custodian bank (i) is admitted to trading on the Frankfurt Stock Exchange or has access to trading via a trading participant admitted to trading on the Frankfurt Stock Exchange, (ii) has a XETRA connection, and (iii) is authorized and able to use the subscription functionality according to the "*Terms of use for the subscription functionality*" (*Nutzungsbedingungen der Deutsche Börse AG für die Zeichnungsfunktionalität*) (such (depository) bank or broker the "**Trading Participant**"). Retail investors may only submit orders in the minimum amount of 100 Shares.

At the investor's request, the Trading Participant submits purchase orders via the subscription functionality DirectPlace. In terms of the subscription functionality DirectPlace, the order book manager records all purchase orders of Trading Participants in an order book, forwards these purchase orders to the Joint Bookrunners for inclusion in the central order book, and will accept

them in whole, in part or not at all at the end of the Offering Period as part of the allotment. The acceptance of the purchase orders by the order book manager leads to the conclusion of a purchase contract for the respective number of shares. This purchase contract is conditional upon dissolution in the event that the New Shares are not legally created or not delivered. Neither the Company nor the Joint Bookrunners can guarantee that the implementation of the capital increase with respect to the New Shares will be entered in the Commercial Register and that the New Shares will be included in collective custody.

Retail investors may also submit purchase orders during the Offer Period via a subscription system established on the website of the Company (the "**Subscription Tool**"). Retail investors wishing to acquire Offered Shares via the Subscription Tool must place their binding purchase orders via the order tool implemented on the respective website ("www.electrovac.com/ipo/subscriptiontool") of the Issuer. In order to submit purchase orders and to enable a proper settlement, retail investors will be required to enter inter alia personal data, deposit account number and make payment in advance to a bank account of the Issuer. Retail investors may only submit orders in the minimum amount of 250 Shares. The purchase order of the retail investor will be forwarded to BankM for inclusion in the central order book, and will accept them in whole, in part or not at all at the end of the Offer Period as part of the allotment. In case no or not all shares as ordered are allotted to the retail investor, any over-payment will be repaid to the retail investor's bank account. In case of a successful allotment, the allotted shares will be delivered to the respective deposit account of the retail investors via Quirin Privatbank AG, Kurfürstendamm 119, 10711 Berlin, as clearing and settlement agent. Neither the Company nor the Joint Bookrunners can guarantee that shares delivered under the Subscription Tool are immediately accepted or accepted at all by the depository bank of the retail investor. In such case, the retail investor might be required to provide a new depository bank account, which may lead to a substantial delay of the delivery after the date of the commencement of trading of the Company's Shares.

Institutional investors may submit their purchase orders directly to the Joint Bookrunners only.

5.2.3 Changes to the Offer Terms

The Company, in agreement with the Joint Bookrunner, reserves the right to reduce the number of Offered Shares, to lower or raise the Price Range and Offer Price and/or to extend or shorten the Offer Period (collectively referred to as the "**Offer Terms**").

In case of an amendment to the Offer Terms, a supplement to this Prospectus will be filed with BaFin and published following approval thereof on the Company's website (www.electrovac.com). Any changes to the Offer Terms will be published by means of electronic media such as Reuters or Bloomberg, and, if required by Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse, as amended ("**MAR**"), the German Securities Prospectus Act (*Wertpapierprospektgesetz*), or the German Securities Trading Act (*Wertpapierhandelsgesetz* (WpHG)), as an ad-hoc release via an electronic information dissemination system, on the Company's website (<https://electrovac.com>) and, if required, as a supplement to this Prospectus. Investors who have submitted purchase orders will not be notified individually.

Changes to the Offer Terms will not invalidate purchase orders that have already been submitted. If any change requires the publication of a supplement, investors who have already submitted

orders prior to such publication are entitled under the Prospectus Regulation and the German Securities Prospectus Act to withdraw these orders within three business days of the publication of the supplement pursuant to Article 23 para. 2a of the Prospectus Regulation, provided that the significant new factor, material mistake or material inaccuracy requiring the publication of a supplement to this Prospectus arose or was noted before the closing of the Offer Period or the delivery of the Offered Shares, whichever occurs first. Instead of withdrawing the orders placed prior to the publication of the supplement, investors may change their orders or place new limited or unlimited offers to purchase within two business days of the publication of the supplement. The withdrawal or change does not require any statement of grounds and must be declared in text form to the party specified in the supplement as the recipient of such withdrawal or change; such declarations are to be deemed timely if dispatched before the notice period expires.

In the underwriting agreement entered into on 15 April 2026 by the Company, the Selling Shareholder and the Joint Underwriters for the offer and sale of the Offered Shares in connection with the Offering (the **“Underwriting Agreement”**), the Joint Underwriters have reserved the right to terminate the Offering under certain circumstances. The Offering may be terminated even after trading has commenced and until the Offered Shares have been delivered in book-entry form in exchange for payment of the Offer Price. For information on cases involving a termination of the Offering in connection with the termination of the Underwriting Agreement by the Joint Underwriters, please refer to Section *“17.4 Underwriting - Conditions Precedent, Termination”*.

5.2.4 Publication of Final Offer Price and Placement Volume

After the Offer Period expires, the Company, the Selling Shareholder and the Joint Bookrunners will use the order book to determine the final Offer Price and the number of shares to be allocated to investors (**“Placement Volume”**). This determination is expected to be made on 27 April 2026.

The final Offer Price and the Placement Volume will be set based on the orders submitted by investors during the Offer Period and collected in the order book. For further information regarding allotment criteria see *Section 5.6 “The Offering - Allotment and General Allotment Criteria”*.

The final Offer Price and the Placement Volume is expected to be published on 27 April 2026 in an ad hoc disclosure, by means of electronic media such as Reuters or Bloomberg, and on the websites of the Company (www.electrovac.com).

Investors who have submitted their orders directly to the Joint Bookrunners should be able to obtain the information from the Joint Bookrunners as to the number of shares they have been allotted starting, at the earliest, on the banking day immediately following determination of the Placement Volume, presumably on 28 April 2026. Trading in the Company’s shares may commence before investors are notified of the number of shares they have been allotted.

The delivery of the allotted shares in book-entry form against payment of the Offer Price is expected to take place presumably on 30 April 2026. Particularly in the event that the Placement Volume proves insufficient to satisfy all the orders submitted, the Joint Bookrunners reserve the right not to accept orders or to accept only parts thereof.

Investors will not be charged expenses by the Company or the Joint Underwriters in connection with the Offering. Investors will have to bear customary transaction and handling fees charged by their brokers through which they hold their securities.

The Company reserves the right to withdraw the Offering at any time during the Offer Period without giving any reasons and even thereafter until the final allotment of the Offered Shares to the investors, even if the trading with the shares of the Company has already commenced. In case of the withdrawal of the Offering, any subscription monies already paid by the investors will be refunded in full. No interest is payable.

5.3 Rights Attached to the Offered Shares

The New Shares will rank *pari passu* with the Existing Shares and thus have subscription rights to future capital increases on the same terms and to the same extent as the Existing Shares. For information in relation to the rights attached to the shares, see Section 5.5 “*The Offering - Information Concerning the Shares in the Company*” and Section 16 “*Information on the Share Capital of the Company*”.

5.4 Projected Timetable for the Offering

The projected timetable for the Offering is as follows:

15 April 2026	Approval of the Prospectus by the German Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i> - “ BaFin ”)
	Publication of the approved Prospectus on the website of the Company (www.electrovac.com/investors/ipo)
17 April 2026	Commencement of the Offer Period, the period in which investors can submit their buying orders
	Application for admission of the Company’s Shares to trading on the regulated market segment (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) and, simultaneously, to the subsegment thereof with additional post-admission obligations (<i>Prime Standard</i>)
27 April 2026	End of the Offer Period at 12:00 noon (Central European Time) for retail investors and institutional investors.
	Determination of the Offer Price and Placement Volume, Resolution on number of New Shares to be issued by the Management Board with approval of the Supervisory Board
	Allotment of the Offered Shares to investors
	Publication of the Offer Price and Placement Volume as well as the allotment criteria by way of a Public Disclosure, on an electronic information system and on the websites of the Company (www.electrovac.com)

28 April 2026	Registration of the implementation of the capital increase for creating the New Shares with the Company's commercial register (<i>Handelsregister</i>)
29 April 2026	Admission decision of the Frankfurt Stock Exchange and publication of the admission decision on the Frankfurt Stock Exchange's website (www.boerse-frankfurt.com)
30 April 2026	Book-entry delivery of the allotted Offered Shares to investors against payment of the Offer Price (settlement and closing)
	Commencement of trading of the Company's Shares on the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>)

This Prospectus and any supplements thereto will be published on the Company's website (www.electrovac.com/investors/ipo).

5.5 Information Concerning the Shares in the Company

5.5.1 Share Capital of the Company and Governing Law

As of the date of this Prospectus, the share capital of the Company amounts to EUR 12,160,000 and is divided into 12,160,000 bearer shares (*Inhaberaktien*) with no par value (*Stückaktien*), each such share representing a notional value of EUR 1.00.

The shares of the Company were created pursuant to the laws applicable to an AG, in particular the German Stock Corporation Act (*Aktiengesetz* (AktG)). As part of the IPO Capital Increase, which is expected to be resolved by a general shareholders' meeting of the Company on or about 27 April 2026, up to 3,840,000 New Shares will be issued from a capital increase against cash contributions. Upon registration of the IPO Capital Increase, the Company's share capital will be increased from EUR 12,160,000 by up to EUR 3,840,000 to up to EUR 16,000,000. The consummation of the IPO Capital Increase is expected to be registered with the commercial register of the local court of Passau, Germany, on or about 28 April 2026.

5.5.2 Subscription Rights

Shareholders generally have the right to subscribe for new shares issued pursuant to any future capital increases in a ratio proportionate to the respective shares they hold in the Company's share capital (subscription right) in connection with share capital increases against cash contributions. However, the general shareholders' meeting may partially or completely exclude the subscription rights in specific cases. Any exclusion of the subscription rights needs to be permissible by law with regard to the German Stock Corporation Act (for further details, see Section 16.6 "*Information on the Share Capital of the Company - General Rules on Subscription Rights*").

5.5.3 Voting Rights

In accordance with the Company's articles of association, each share carries one vote at the Company's shareholders' meeting. All shares carry the same voting rights. No restrictions on voting rights exist with the exception of those stipulated by law in specific cases. Attendance of the shareholders' meeting and exercise of voting rights are governed by the articles of association and general company law (for further details, see Section 14.4 of this Prospectus "*Corporate Bodies - Shareholders' Meeting (Hauptversammlung)*").

5.5.4 Form and Representation of the Shares

All of the Company's shares are or will be issued as no-par value ordinary bearer shares (*Inhaber-Stückaktien*). The shares will be represented by several global certificates without dividend coupons. The shares are deposited with Clearstream Europe AG, Mergenthalerallee 61, 65760 Eschborn, as securities clearing and depository bank. The same applies to the New Shares from the capital increase, which will be represented by an additional global certificate and also be deposited with Clearstream Europe AG, Mergenthalerallee 61, 65760 Eschborn. The articles of association of the Company exclude the shareholders' claim to be issued with share certificates, unless such certificates are required under the regulations of a stock exchange on which the shares are listed.

5.5.5 Dividend Rights and Rights to Liquidation Proceeds

The Existing Shares of the Company as well as the New Shares from the capital increase against cash contribution carry full dividend rights for the financial year as from 1 April 2025.

Dividends are paid in Euro to each shareholder's account through the systems of the central depository (Clearstream Europe AG, Mergenthalerallee 61, 65760 Eschborn) to the custodian bank which will pay them to the shareholders accounts. The distribution of dividends on the Company's shares for the past financial year is subject to the shareholders' meeting (for further details, see Section 16.9 "*Information on the Share Capital of the Company - General Rules Relating to Use of Profits and Dividend Payments*").

No restrictions on dividends or special procedures apply to holders of the shares who are not residents of Germany. Reference is made to the Section 18 "*Taxation in Germany*" for a description of the tax treatment of dividends under the laws of Germany. Shareholders whose shares are entered into custodial accounts via foreign institutions should inform themselves about the procedure applicable at such institutions.

Should the Company be dissolved, any liquidation proceeds remaining after discharging the Company's liabilities will accrue to the shareholders pursuant to the German Stock Corporation Act in proportion to the respective shares they hold in the Company's share capital. The Shares are subordinated to all other securities and claims in case of an insolvency of the Company.

5.5.6 Transferability and Lock-Up

The Shares are freely transferable in accordance with the legal requirements for bearer shares (*Inhaberaktien*). With the exception of the restrictions set out in Section 5.8 "*Market Protection Agreements (Lock-up)*", there are no lock-up requirements or restrictions on the transferability of the Shares.

5.5.7 WKN/ISIN/Ticker Symbol

The German Securities Identification Number (WKN) of the shares is A420ZL, the International Securities Identification Number (ISIN) is DE000A420ZL4 and the Ticker Symbol is EVAC.

5.6 Allotment and General Allotment Criteria

The Company reserves the right to allot investors to less than the maximum possible amount of New Shares and the Selling Shareholder equally with respect to the Selling Shares, that are being offered. Subject to Section 5.7, no agreements exist between the Company, the Selling Shareholder and the Joint Bookrunners with respect to the allotment procedure prior to the commencement of the Offer Period. The allotment of Offered Shares to private investors and institutional investors will be decided by the Company and the Selling Shareholder after consultation with the Joint Bookrunners. The decision ultimately rests with the Company and the Selling Shareholder.

Allotments will be based, among other factors, on the price per Offered Share offered by the investor, on the perceived quality and geographical spread of investors, such as the expected investment horizon and expected trading behavior of the investor, as well as on a reasonable expectation that the share price will demonstrate relatively steady performance in the aftermarket given the demand for the Company's shares reflected in the order book. The final allocation of shares will accordingly be based not only on the prices offered by investors and the number of investors wanting shares at a particular price, but also on the composition of the group of shareholders in the Company (so-called "**Investor Mix**").

The Company, the Selling Shareholder and the Joint Bookrunners intend to comply with the "Principles for the Allotment of Shares Issues to Private Investors" ("*Grundsätze für die Zuteilung von Aktienemissionen an Privatanleger*"). These principles were issued on 7 June 2000 by the Exchange Expert Commission (*Börsensachverständigenkommission*) of the German Federal Ministry of Finance (*Bundesministerium für Finanzen*). "Qualified investors" under the German Securities Prospectus Act (*Wertpapierprospektgesetz* - WpPG), as well as "professional clients" and "suitable counterparties" under the German Securities Trading Act (*Wertpapierhandelsgesetz* - WpHG) are not viewed as "private investors" within the meaning of the allocation rules. The Company, the Selling Shareholder and the Joint Bookrunners will determine and publish the specific details of the allotment procedure in accordance with the "Principles for the Allotment of Shares Issues to Private Investors" once the Offer Period has expired.

Existing shareholders of the Company, including the Selling Shareholder, may purchase Offered Shares in the Offering, and such Offered Shares would not be subject to any lock-up restrictions.

Any minimum allotment will be determined once the order book has been closed and will be published in accordance with the allotment principles. No right to allotment exists.

5.7 Stabilization Measures, Overallotment and Greenshoe Option

In connection with the placement of the Offered Shares and to the extent permitted by Article 5 (4) of the Market Abuse Regulation in conjunction with the regulatory technical standards issued under the Market Abuse Regulation, BankM, or persons acting on its behalf, acting as stabilization manager in the name and for the account of the Joint Bookrunners (the "**Stabilization Manager**"), may make overallotments or effect transactions aimed at supporting the stock exchange or market price of the Shares in order to counteract any selling pressure that may exist.

The Stabilization Manager is under no obligation to take stabilization measures. Therefore, there is no guarantee that any stabilization measures will be effected. Where stabilization measures are taken, these may be terminated at any time without prior notice. Such measures may be taken from the date the Shares are traded for the first time on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than 30 calendar days after such date ("**Stabilization Period**"). Stabilization measures aim at supporting the market price of the Shares during the Stabilization Period in order to counteract any selling pressure that may exist. Stabilization measures may cause the stock exchange or market price of the Shares to be higher than it would otherwise have been. In addition, the stock exchange or market price may temporarily be at a level that is not sustainable. The Stabilization Manager may undertake stabilization measures on the Frankfurt Stock Exchange.

With regard to potential stabilization measures and to the extent permitted by law, investors may, in addition to the Placement Shares being offered, be allocated up to 621,000 (already existing) Overallotment Shares in the Offering (the "**Overallotment**"). In connection with a potential Overallotment, the Stabilization Manager will be provided in the form of a securities loan (*Wertpapierdarlehen*) with up to 621,000 existing shares of the Company from the holdings of the Selling Shareholder without charge. In this context, the Selling Shareholder will grant the Stabilization Manager an option to acquire the Overallotment Shares from the Selling Shareholder at the Offer Price, less agreed commission, in order to satisfy the retransfer obligation under the securities loan (the "**Greenshoe Option**"). The Greenshoe Option shall be exercisable by the Stabilization Manager. The Greenshoe Option will expire 30 calendar days after stock exchange trading in the Shares commences and may only be exercised to the extent that Shares have been placed by way of an Overallotment.

Within one week following the end of the Stabilization Period, an announcement will be published via EQS as to whether or not any stabilization measures were taken, when price stabilization started and finished, the date on which the last stabilization measure was taken, the price range within which stabilization measures were taken (for each date on which a stabilization measure was taken) and the trading venues on which stabilization measures were carried out. Any Overallotments and exercise of the Greenshoe Option, the date hereof and the number and type of the Shares concerned will also be published promptly in the manner previously stated.

5.8 Market Protection Agreements (Lock-up)

5.8.1 Lock-up of the Company

The Company has agreed with the Joint Bookrunners that during the period starting on the date of the Underwriting Agreement and ending 12 months after the first day of trading of the Shares on the Frankfurt Stock Exchange, the Company, the Management Board or its Supervisory Board will not, without the prior written consent by the Joint Bookrunners (which may not be unreasonably withheld):

- announce or effect an increase of the share capital of the Company out of authorized or conditional capital; or
- submit a proposal for a capital increase to any shareholders' meeting for resolution; or

- announce to issue, effect or submit a proposal for the issuance of any securities convertible into Shares of the Company, with option rights for Shares of the Company;
- offer, pledge, allot, issue (unless being required by applicable law), sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares in its capital, whether any such transaction described above is to be settled by delivery of shares in its capital or such other securities, in cash or otherwise; or
- enter into transactions or perform actions economically similar to those described in the bullets above (the **“Company Lock-Up”**).

The Company may, however, offer, issue or sell any Shares or other securities to employees and members of executive bodies of the Company or its Subsidiaries under employee or management participation plans (including actual or virtual options) (or convert cash payments or contributions into such shares and other securities). The Company Lock-Up does not apply to any capital increase in connection with the Offering.

5.8.2 Lock-up of the Existing Shareholders and the Company’s CEO

Furthermore, each of the Existing Shareholders and the Company’s CEO agreed with the Joint Bookrunners that during the period starting on the date of the Underwriting Agreement and ending 12 months after the first day of trading of the Admission Shares on the Frankfurt Stock Exchange they will not, without the prior written consent by the Joint Bookrunners (which may not be unreasonably withheld):

- offer, pledge, allot, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares of the Company or any other securities of the Company, including securities convertible into or exercisable or exchangeable for Shares of the Company; or
- make any demand for, or exercise any right with respect to, the registration under U.S. securities laws of any Shares of the Company or any security convertible into or exercisable or exchangeable for Shares of the Company; or
- propose any increase in the share capital of the Company, vote in favor of such a proposed increase or otherwise support any proposal for the issuance of any securities convertible into Shares of the Company, with option rights for Shares of the Company; or
- enter into a transaction or perform any action economically similar to those described in the bullets above, in particular enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of Shares of the Company, whether any such transaction is to be settled by delivery of Shares of the Company or such other securities, in cash or otherwise (the **“Shareholders’ Lock-Up”**).

The Shareholders' Lock-Up does not apply to the Offered Shares to be offered to investors in connection with the Offering and to any acquisition of Shares in open market transactions after the completion of the Offering.

The above mentioned lock-up restrictions do not apply for (i) the issuance of shares in the Company for the purpose of making acquisitions and for a capital increase from own funds (*Kapitalerhöhung aus Gesellschaftsmitteln*); or (ii) the issuance of shares in the Company or options to purchase such shares to management personnel or employees of the Company or its affiliates in connection with a future profit-sharing plan for management personnel or employees; or (iii) the encumbrance or pledge of Selling Shares of the Selling Shareholder in connection with future financing measures (e.g. loan agreements).

5.9 Stock Exchange Admission and Commencement of Trading

An application for admission of the Shares (including the New Shares) to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (*Prime Standard*) shall be filed on or around 15 April 2026. The Shares (entire share capital of the Company) are expected to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) on 29 April 2026. The decision on the Admission to Trading will be made solely in the discretion of the Frankfurt Stock Exchange. Trading in the Shares on the Frankfurt Stock Exchange is planned to commence on 30 April 2026.

5.10 Delivery and Settlement

The allocated shares will be delivered through Clearstream Europe AG, Mergenthalerallee 61, 65760 Eschborn, Germany, to the investors' securities deposit account maintained by a bank or broker through a depository chain with Clearstream Europe AG, Mergenthalerallee 61, 65760 Eschborn.

Delivery of the allocated shares to investors against payment of the Offer Price is expected to take place on 30 April 2026. Exceeding payments made by investors will be refunded accordingly. The shares will be made available to shareholders as co-ownership interests in the respective global certificate.

5.11 Designated Sponsor

BankM will assume the function of a designated sponsor (the "**Designated Sponsor**") for the Shares trading on the Frankfurt Stock Exchange. According to the designated sponsor agreement which the Company, the Designated Sponsor will submit binding buying and selling orders (limit orders) into the electronic trading system (Xetra) of the Frankfurt Stock Exchange during regular trading hours. This is designed, in particular, to achieve higher liquidity in the trading of the shares. The Designated Sponsor will receive an annual remuneration for those services in accordance with market standards.

5.12 Paying Agent

BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, has been appointed as Paying Agent.

6. REASONS FOR THE OFFERING, USE OF ISSUE PROCEEDS, ISSUE COSTS AND INTERESTED THIRD PARTIES

6.1 Issue Proceeds and Costs

The Company will only receive the proceeds from the sale of the New Shares. The Company will not receive any proceeds from the sale of the Selling Shares and the Overallotment Shares from the holdings of the Selling Shareholder.

The Selling Shareholder will receive the proceeds of the Offering resulting from the sale of the Selling Shares as well as from the sale of the Overallotment Shares, if and to the extent that the Greenshoe Option in relation to the Overallotment Shares is exercised.

Assuming the placement of all Offered Shares at the mid-point of the Price Range, gross proceeds from the Offering attributable to the Company would amount to approximately EUR 34.6 million and attributable to the Selling Shareholder would amount to EUR 8.3 million respectively. Assuming an Offer Price at the mid-point of the Price Range and placement of all New Shares, the costs of the Offering and the Listing, including the IPO Bonus and underwriting and placement commissions payable by the Company to the Joint Global Coordinators, are expected to total approximately EUR 7.2 million. The costs of the Offering and the Listing will be allocated in the proportion of the New Shares on the one hand and the Selling Shares and Overallotment Shares on the other hand to the Company and the Selling Shareholder in case of full placement of the Offered Shares, and otherwise will be distributed proportionately according to the results of the placement. Accordingly, in case of full placement the Selling Shareholder will bear approximately EUR 1.4 million and the Company will bear the remaining approximately EUR 5.8 million. The net proceeds attributable to the Company would therefore amount to approximately EUR 28.8 million (rounded) and to the Selling Shareholder in the amount to approximately EUR 6.9 million (rounded) respectively.

Assuming the placement of all Offered Shares at the low end of the Price Range, the costs of the Offering and the Listing are expected to total approximately EUR 6.4 million of which EUR 5.2 million will be payable by the Company and EUR 1.2 million by the Selling Shareholder.

Assuming the placement of all Offered Shares at the high end of the Price Range, the costs of the Offering and the Listing are expected to total approximately EUR 7.8 million of which EUR 6.3 million will be payable by the Company and EUR 1.5 million by the Selling Shareholder.

The Company estimates that the costs excluding the IPO Bonus and the commission of the Joint Underwriters will amount to approximately EUR 2.2 million.

6.2 Reasons for the Offering

The Company intends to pursue the Listing to achieve better access to the capital markets. The Company believes that the Listing will enhance entrepreneurial flexibility and elevate its profile.

The Company pursues the Offering to receive the proceeds from the sale of the New Shares. Access to the capital markets will also benefit its future growth and expand its financing options. The Company intends to use the net proceeds mainly to finance growth opportunities (as described in more detail in section 6.3 *“Use of the Issue Proceeds”* and section 11.5. *“Business Overview – Corporate Strategy”*).

Through the Offering, the Selling Shareholder intends to divest a part of its stake in the Company and to receive the net proceeds from the sale of the Selling Shares as well as any Overallotment Shares. The Selling Shareholder also intends to ensure sufficient free float and trading liquidity in the Shares.

6.3 Use of the Issue Proceeds

The Company intends to use the net proceeds under the Offering to finance and extend the operative business, in particular to expand business in the airbag igniter area by increasing the production capacity in Thailand, including a EUR 5.0 – 7.0 million investment to increase the production area at the existing site. In addition, the electrovac Group plans to strengthen its presence in China through a EUR 5.0 – 7.0 million investment aimed at moving closer to customers and initiating production of igniter headers. Furthermore, the electrovac Group also aims to increase its market share and expand its business in the Aerospace and Defense business. To benefit from Europe's defense spending upcycle, capacities must be expanded, processes set up and special tools built in coordination with the requirements of existing customers. A second focus is on the transfer and application of the electrovac Group's highly efficient production technology to local US manufacturing, primarily by securing local access to licenses, facilities and production capabilities. This may be achieved through a strategic partnership or, if appropriate, the selective acquisition of a local company in the electronic packaging sector. For these purposes, at least EUR 10.0 – 14.5 million of the capital increase is allocated. Currently there exist no further specifications on amounts to be used or priority of the use of proceeds.

6.4 Interested Parties Involved in the Offering

The Company has an interest in the Offering as it receives the net issue proceeds that result from the placement of the New Shares.

The Selling Shareholder will receive the proceeds from the sale of the Selling Shares and the shares sold under the Greenshoe Option (after deduction of fees and commissions). Accordingly, the Selling Shareholder has an interest in the success of the Offering on the best possible terms. Furthermore, all the Existing Shareholders have an interest in the successful implementation of the capital increase, since it will improve the Company's equity base and provide for available cash for inter alia the extension of the operative business.

The Joint Underwriters are acting exclusively for the Company and the Selling Shareholder on the Offering and coordinate the structuring and execution of the Offering. Upon successful implementation of the Offering, the Joint Underwriters will receive a commission, and the size of this commission depends on the results of the Offering. In addition, BankM is acting as Designated Sponsor and Paying Agent. As a result of these contractual relationships, the Joint Underwriters have a financial interest in the success of the Offering at the best possible terms. Furthermore, in connection with the Offering, the Joint Underwriters and any of its affiliates, acting as an investor for their own account, may acquire shares in the Offering and in that capacity may retain, purchase or sell for their own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering.

The members of the Management Board and of the Supervisory Board are expected to receive cash payments and in case of the CEO also shares following the Listing. As a result, each of

these individuals has a financial interest in the success of the Offering (see Section 14.8 “*IPO Bonus*”).

Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Offering.

7. DIVIDEND POLICY; EARNINGS AND DIVIDEND PER SHARE

7.1 Dividend Rights and Dividend Policy

The shares of individual shareholders in the profit of the Company are determined in accordance with the number of shares they hold in the registered capital (section 60 subsection 1 of the German Stock Corporation Act (*Aktiengesetz*, “**AktG**”).

The adoption of resolutions regarding the distribution of dividends on the Company's shares for a given financial year is the responsibility of the shareholders' meeting (*Hauptversammlung*) held during the following financial year, which resolves on the utilization of the Company's distributable profits on the basis of the non-binding proposal of the management board (*Vorstand*) and the supervisory board (*Aufsichtsrat*). If the Selling Shareholder holds an effective or, depending on its presence at the shareholders' meeting (*Hauptversammlung*) of the Company, a factual majority of the voting rights present or represented at the shareholders' meeting (*Hauptversammlung*), it may exercise further influence on the utilization of the Company's profits and/or the dividend policy (see Section 3.5.1 “*Risk Factors – Risks Related to Shareholding Structure – The Existing Shareholders may enforce their interests to the detriment of the interest of other shareholders.*”). Under German law a resolution concerning dividends and the utilization of distributable profits may be adopted only on the basis of a balance sheet profit (*Bilanzgewinn*) shown in the Company's adopted annual separate financial statements (*festgestellter Jahresabschluss*) to be prepared in accordance with generally accepted German accounting principles, i.e. the accounting provisions of the German Commercial Code (*Handelsgesetzbuch*). In determining the balance sheet profit available for distribution, the annual net income (*Jahresüberschuss*) or annual net loss (*Jahresfehlbetrag*) of the respective year must be adjusted for profits and losses carried forward from the previous year and for deposits into or withdrawals from reserves. Certain reserves are to be created by law and must be deducted, where applicable, when calculating the balance sheet profits available for distribution. In a resolution regarding the utilization of balance sheet profits, the shareholders' meeting (*Hauptversammlung*) can include further amounts in retained earnings or carry them forward as profit. Dividends resolved by the shareholders' meeting (*Hauptversammlung*) are paid annually, shortly after the shareholders' meeting (*Hauptversammlung*), in compliance with the rules of the respective clearing system. Dividend claims are subject to a three-year limitation period. Dividends which were not exercised by shareholders within this period shall be retained by the Company.

The Shares carry full dividend rights for the financial year as from 1 April 2025.

In the past, the Company has regularly paid dividends of up to 20% of the electrovac Group's consolidated net income. With respect to the financial year 2024/2025, a higher dividend of 45% of the electrovac Group's consolidated net income has exceptionally been paid to allow the repayment of certain loans the electrovac Group had granted direct and indirect shareholders of the Company to settle tax obligations resulting mainly from past group restructurings. The Company also intends to distribute dividends in 2026 and to pay dividends on a regular basis thereafter, however depending on the results of operations of the Company, its business strategy,

its financial and profit situation, its liquidity requirements and the legal, tax and regulatory environment as well as other factors.

To report the net income available for distribution, the Company as a holding company depends on profit distributions from its subsidiaries. The expenditures and costs of this Offering will have a one-time impact that will adversely affect its results of operations in the financial year 2025/2026.

Dividend income is subject to German dividend withholding tax (*Abgeltungsteuer*) (see Section 18 “*Taxation in Germany*”).

7.2 Earnings and Dividend per Share

The following table shows the earnings and dividend per share paid by the Company for the full financial years ending on 31 March 2023, 31 March 2024 and 31 March 2025 (unaudited):

Values	31 March 2025	31 March 2024	31 March 2023
Earnings per share (basic and diluted) for the financial year indicated in EUR	10.37	3.85	6.46
Dividend per share for the financial year indicated in EUR	4.70	0.77	0.80
Payout Ratio	45.3%	20.0%	12.4%

The figures are based on an average number of 500,000 shares.

8. CAPITALISATION AND INDEBTEDNESS, WORKING CAPITAL

Data in this chapter are unaudited and have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the EU. They are part of the internal reporting package of electrovac Group as of 31 January 2026.

8.1 Capitalisation

The following table provides an overview of the capitalisation of the electrovac Group as of 31 January 2026.

Values in kEUR	31 January 2026 unaudited
Total current debt (including current portion of non-current debt) ^[1]	27,717
- Guaranteed	0
- Secured ^[2]	8,903
- Unguaranteed / unsecured ^[3]	18,814
Total non-current debt (excluding current portion of long-term debt) ^[4]	16,205
- Guaranteed	0

- Secured ^[2]	3,437
- Unguaranteed / unsecured	12,768
Shareholder equity	50,075
- Share capital	12,160
- Legal reserve(s) ^[5]	17,355
- Other reserves ^[6]	20,560
Total	93,997

[1] Reflects current liabilities as of 31 January 2026.

[2] As per 31 January 2026 total secured debt was kEUR 12,340. Thereof production machinery amounted to kEUR 3,437, inventories and accounts receivable amounted to kEUR 7,757 and buildings amounted to kEUR 1,146.

[3] Reflects short term bank credits, trade payables, provisions, and other liabilities as of 31 January 2026.

[4] Reflects non-current liabilities as of 31 January 2026.

[5] Reflects position "capital reserves" in electrovac Group's capital structure as of 31 January 2026.

[6] Reflects positions "other reserves" and "profit for the year" in electrovac Group's capital structure as of 31 January 2026.

8.2 Indebtedness

The table below shows on a consolidated basis the indebtedness of the electrovac Group as of 31 January 2026.

Values in kEUR	31 January 2026 unaudited
A. Cash	2,367
B. Cash equivalents	0
C. Other current financial assets	0
D. Liquidity (A + B + C)	2,367
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) ^[1]	-11,571
F. Current portion of non-current debt	-2,182
G. Current financial indebtedness (E + F)	-13,753
H. Net current financial indebtedness (G – D)	-11,386
I. Non-current financial debt (excluding current portion and debt instruments) ^[2]	-3,856
J. Debt instruments ^[3]	-21
K. Non-current trade and other payables	0
L. Non-current financial indebtedness (I + J + K)	-3,877
M. Total financial indebtedness (H + L)	-15,263

[1] Reflects overdraft liabilities and short-term bank loans with third parties as of 31 January 2026.

[2] Reflects long term bank loans with third parties as of 31 January 2026.

[3] Reflects market value of interest swap as of 31 January 2026.

8.3 Indirect and Contingent Liabilities

As of 31 January 2026, the electrovac Group did not have any contingent or other indirect liabilities.

8.4 Working Capital Statement

The Company is of the opinion that the working capital of the companies of the electrovac Group (not considering the net proceeds under the Offering) is sufficient to meet present requirements over a period of at least 12 months following the date of this Prospectus.

9. DILUTION

As of 31 December 2025, the net asset value of the Company in its consolidated statement of financial position based on the Unaudited Interim Consolidated Financial Statements, calculated as total assets less total liabilities, amounted to EUR 49.3 million, and would amount to EUR 4.06 per share, based on 12,160,000 outstanding shares immediately prior to the Offering. The net asset value already includes the costs of the Offering incurred as of 31 December 2025 (see Section 6.1 “*Issue Proceeds and Costs*”).

The following table illustrates the amount by which the Offer Price per share would exceed the net asset value per share after completion of the Offering and the resulting immediate dilution (i) based on the net asset value of the Company in its consolidated statement of financial position based on the Unaudited Interim Consolidated Financial Statements as of 31 December 2025 and (ii) adjusting this net asset value for (a) the increase of the Company's share capital against cash contribution, assuming the Offering had been completed by 31 December 2025 and the Company received the net proceeds after payment of the IPO Bonus from the sale of all New Shares. The

Selling Shareholder will contribute proportionally to the costs of the Offering. Assuming that all New Shares are placed in the Offering and the Greenshoe Option is exercised in full, the net proceeds from the sale of all New Shares at the low end, mid-point and high end of the Price Range would then amount to EUR 24.8 million (rounded), EUR 28.8 million (rounded) and EUR 32.9 million (rounded), respectively:

Values	As of 31 December 2025		
	unaudited		
	Low End	Mid Point	High End
Offer Price (in EUR)	7.80	9.00	10.20
Net asset value (in EUR million)	49.348	49.348	49.348
Number of shares immediately prior to the Offering	12,160,000	12,160,000	12,160,000
Net asset value per share immediately prior to implementation of the Offering (based on 12,160,000 shares) (in EUR)	4.06	4.06	4.06
Net asset value after completion of the Offering (in EUR million)	74.1	78.1	82.2
Number of shares outstanding after completion of the Offering (assuming placement of all New Shares)	16,000,000	16,000,000	16,000,000
Net asset value per share after completion of the Offering (in EUR)	4.63	4.88	5.14
Amount by which the Offer Price per share exceeds the net asset value per share after completion of the Offering (i.e., immediate dilution to the new shareholders of the Company per share) (in EUR)	3.17	4.12	5.06
Immediate dilution (in %)	40.64%	45.73%	49.63%

Immediately prior to the Offering, the Existing Shareholders Electrovac Holding AG, Christoph Beutlhauser and Michael Beutlhauser will hold 12,160,000 shares (100% of the share capital), each entitling to one vote at the Company's shareholders' meeting. Assuming placement of all 3,840,000 New Shares, 16,000,000 Shares in the Company will have been issued after completion of the Offering. Accordingly, the Existing Shareholders would hold 70.24% of the share capital of and the voting rights in the Company, corresponding to an immediate dilution of 29.76% respectively.

10. MANAGEMENT DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

10.1 Introduction

The following management discussion and analysis of the net assets, financial condition and results of operations of the electrovac Group should be read in conjunction with the other information in this Prospectus, including the financial statements and the related notes which are reproduced in this Prospectus in Section 21 „*Financials*“. The discussion and analysis regarding the key factors affecting results of operations contains some forward-looking statements that are subject to known and unknown risks and uncertainties. The actual results and the timing of events could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below.

The following management discussion and analysis of net assets, financial position and results of operations is primarily based on the electrovac Group's financial statements for the business year ended 31 March 2025, as well as the Unaudited Interim Consolidated Financial Statements for the nine-month period from 1 April to 31 December 2025. Comparative figures for the periods ended 31 March 2024 and 31 March 2023 are taken from the respective Audited Consolidated Financial Statements of the electrovac Group.

The Audited Consolidated Financial Statements ending 31 March 2025, 31 March 2024 and 31 March 2023 and the Unaudited Interim Consolidated Financial Statements for the nine-month period ended 31 December 2025 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Both sets of financial statements are included in the financial section of this Prospectus.

The audited single entity annual financial statements of electrovac AG for the business year ending 31 March 2025 were prepared in accordance with local GAAP, i.e. HGB (German Commercial Code) and are also included in the financial section of this Prospectus.

The Audited Consolidated Financial Statements for the business years ending 31 March 2025, 31 March 2024 and 31 March 2023 were audited by BDO AG Wirtschaftsprüfungsgesellschaft, München, and received an unqualified opinion.

Unless stated otherwise, the information is given in thousands of Euros ("**KEUR**"). The disclosure in KEUR may contain rounding deviations, including in comparison with the Audited Consolidated Financial Statements, Unaudited Interim Consolidated Financial Statements and the audited single entity annual financial statements of the Company for financial year ended on 31 March 2025, respectively, shown in the financial section of this Prospectus.

10.2 Overview of the electrovac Group

electrovac AG, headquartered in Salzweg, Germany, is the holding company of a medium-sized, globally active group with more than 75 years of experience in the design and manufacture of hermetic glass-to-metal sealed components. The electrovac Group's core capabilities include glass-to-metal sealing technology, stamped, formed and machined metal parts, glass preform production and electroplating. The electrovac Group supplies customized solutions ranging from small-batch niche products to high-volume series production.

Its products are used across a wide range of applications in the fields of electronics, sensors and actuators, including Personal Safety systems such as airbags and seatbelt components, as well as in the Aerospace and Defense and various other industrial business areas, including mobility, telecommunications and medical markets.

10.2.1 Corporate Structure

The Company was founded on 26 January 2018 by its then 100% shareholder electrovac Holding AG, Chur, Switzerland, and is legally domiciled in Salzweg, Germany. As of 31 March 2025, 100% of the interests in the following entities were contributed in kind to the Company:

- electrovac germany GmbH, Germany, along with its two 100% subsidiaries: electrovac Thailand Co., Rayong, Thailand, and Electrovac USA Inc., New York, USA
- electrovac components GmbH & Co. KG, Salzweg, Germany
- electrovac austria GmbH, Klosterneuburg, Austria
- Electrovac France SAS, Paris, France
- Electrovac Japan K.K., Osaka, Japan

The electrovac Group operates across three business areas: Personal Safety, Aerospace and Defense and Other Mobility and Industry.

10.2.1.1 Personal Safety

The electrovac Group's core business area – Personal Safety – focuses on developing customized hermetic packages used to encapsulate explosive materials. These essential, safety-critical and regulatory-mandated components are primarily deployed in airbag systems, seatbelt pretensioners and other auto-motive safety applications. In the financial year 2024/25, the Personal Safety area accounted for 43% of total sales.

10.2.1.2 Aerospace and Defense

The electrovac Group's glass-to-metal seals are used in the defense industry as well as in both civil and military aviation to protect sensors and microelectronic components from high temperature fluctuations, moisture, dirt, high pressures, and vibrations. Additionally, the electrovac Group supplies specialized hermetic packages for several European and American satellite programs. In the financial year 2024/25, the Aerospace and Defense business contributed up to 20% of total sales.

10.2.1.3 Other Mobility and Industry

The Other Mobility and Industry business covers applications in automotive and various industrial sectors. Main products in the other automotive business are transmission control modules. Key products in other industries include sealed packages and sockets for pressure sensor applications, used in the chemical industry, hydraulics, manufacturing processes, automation, booster pumps and air conditioning systems. The electrovac Group's products also protect level, fluid and temperature sensors. Another product line within this area is battery covers for lithium thionyl chloride batteries.

Additionally, the electrovac Group produces hermetic packages for medical applications and niche markets such as LED lamps for dental instruments. Transistor headers serve as housings for fiber optic receiver and transmitter sub-assemblies in telecommunications, while other hybrid and special packages protect electronic circuits and components in receiver and transmitter modules. Overall, the Other Mobility and Industry field accounted for approximately 37% of sales in financial year 2024/25.

10.3 IFRS Financial Statements Principles

The basic accounting and valuation principles applied in preparing the Consolidated Financial Statements are set out in the following section. Unless otherwise specified, the methods described herein were consistently applied in the reporting periods covered.

- Consolidated subsidiaries are defined as all entities that are controlled by electrovac AG. electrovac AG exerts control over a subsidiary if it has power to act for and on behalf of the subsidiary; bears the burden of risk or is entitled to variable returns arising from its participation in the subsidiary; and is able to affect the amount of such returns by exercising its powers to act for and on behalf of the subsidiary. The initial consolidation of a holding takes place from the time that electrovac AG obtains control of the entity.
- Business combinations are carried out using the purchase method when the subsidiary qualifies for being consolidated under IFRS 3. The respective acquisition values are compared with the equity resulting from the measurement of assets and liabilities at fair value at the time of acquisition. In the case of business combinations, all hidden reserves and hidden charges of the acquired company are disclosed as part of a revaluation. Any positive difference arising after capital consolidation is capitalized as goodwill and measured at least once a year as part of a lower-of-cost-or-market test. In accordance with IFRS 3, any resulting negative difference is recognized in profit or loss. Transaction costs are recognized immediately as expenses unless they are related to the issue of bonds or equity securities.
- For consolidation purposes, the financial statements of foreign companies are translated into EUR using the functional currency concept. Assets and liabilities were recognized at the closing rate as of 31 March 2015, due to their contribution to the Group as of 31 March 2025. The same applies to the translation of equity, as the closing rate as of 31 March 2025 also represents the historical exchange rate. For ongoing financial years, assets and liabilities are calculated at the closing rate on the balance sheet date, expenses and income at the average rate for the respective financial year. The other equity items are valued at the historical closing rate on the date of initial consolidation.
- All intercompany transactions, balances and unrealized gains from transactions within the electrovac Group are eliminated unless they are of minor significance. Unrealized losses from transactions within the electrovac Group are eliminated unless these losses can no longer be covered. The effects on income tax are taken into account in the consolidation processes affecting income and deferred taxes are deducted.
- Property, plant and equipment are recognized at cost of acquisition or production, less accumulated straight-line depreciation and accumulated impairment losses.

Acquisition costs include the purchase price of the asset, incidental acquisition costs and subsequent acquisition costs. Production costs include direct costs and an appropriate share of material and production overheads. The depreciation methods and useful lives are reviewed at the end of each business year and adjusted as needed. The book values of tangible fixed assets are reviewed for impairment at least annually. A review is also carried out as soon as there are indications that the book value exceeds the recoverable amount. The residual book value and the economic useful life are reviewed on each balance sheet date and adjusted if necessary. Government grants are recognized using the net method and are amortized over the useful life of the asset.

- Goodwill arises in business combinations and represents the excess of the consideration transferred from the business contribution over the fair value of the Group's share of the identifiable assets contributed, the liabilities assumed, the contingent liabilities and all non-controlling interests of the company contributed at the time of contribution. Any remaining positive difference is recognized as goodwill, and negative difference as a loss in the profit and loss statement. Goodwill has an indefinite useful life and is therefore not amortized but tested for impairment at least once a year and if there are indications of possible impairment. The carrying amount of goodwill is compared with the recoverable amount, i.e. the higher of its fair value less costs to sell and its value in use. Impairment is recognized immediately in the income statements and is not reversed in subsequent periods.
- Intangible assets, such as patents and trademarks, are recognized at historical cost of acquisition less accumulated amortization. Intangible assets for which there are indications of impairment and whose present values of future cash inflows are below their carrying amounts are written down to their value in use or net selling price. If the reasons for such an impairment no longer apply, appropriate write-ups are made.
- Rights of use for lands and buildings, which are capitalized due to finance lease transactions are amortized straight-line over time.
- A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore all contractual claims and obligations based on a legal transaction that are directly or indirectly related to the exchange of cash flows.
- Financial assets are recognized when consideration is provided in cash or financial assets. They are generally booked or de-recognized at fair value, taking transaction costs into account. Non-interest-bearing receivables and other assets are discounted if they are long-term. In accordance with IAS 39, subsequent measurement depends on the following categorization of financial instruments. Financial investments reported under financial assets are valued at acquisition cost. Receivables are generally measured at amortized cost. If there are doubts about the recoverability of receivables, they are recognized at the lower realizable amount. Objective defaults lead to the write-off of the relevant receivable. Foreign currency receivables are translated at the closing rate. Cash and cash equivalents are carried at fair value. Stocks and balances in foreign currencies are translated at the closing rate.

- Investment properties are buildings and land, which are rented to third parties and are not used for operational purposes. They are measured at amortized cost in accordance with IAS 40.
- Current tax assets and liabilities are recognized in profit or loss, except to the extent that they are associated with a business combination or with an item recognized directly in equity or other comprehensive income. Current taxes are the expected tax liability or tax claim on the taxable income or tax loss for the financial year, based on tax rates that apply or will shortly apply on the balance sheet date, and any adjustments to the tax liability for prior years. The amount of the expected tax liability or tax claim reflects the amount that represents the best estimate, taking into account tax uncertainties, if any.
- Deferred taxes are calculated using the liability method for temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS consolidated balance sheet. Furthermore, the probable realizable tax benefit from existing unused tax loss carryforwards is included in the calculation if future taxable income is available and can be utilized. Deferred tax assets are not recognized if it is unlikely that the tax benefit will be realized. Future taxable profits are determined on the basis of the reversal of taxable temporary differences. Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; write-ups are made when the probability of future taxable income improves. Deferred tax assets and deferred tax liabilities are netted if the conditions are met.
- Inventories are measured at the lower of cost and net realizable value. In the case of manufactured products, production costs include an appropriate share of production overhead based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and merchandise are valued at moving average prices. The acquisition and production costs of work in progress and finished goods include all directly attributable costs and the pro rata overheads including depreciation based on normal capacity. Appropriate deductions are made for inventory risks resulting from storage periods or limited usability.
- Trade receivables are amounts due from goods sold or services rendered in the ordinary course of business. Trade receivables are classified as current if they can be expected within one year. Otherwise, they are recognized as non-current receivables. Trade receivables and other financial assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less impairment. If risks relating to the recoverability of individual receivables are identified, an allowance for doubtful receivables is recognized.
- Other assets are valued at historical acquisition costs, less necessary impairments.
- Financial liabilities regularly give rise to a repayment claim in cash or another financial asset. These include in particular liabilities to banks and other financial liabilities. Financial liabilities are recognized in the balance sheet immediately upon payment of the amount less transaction costs. Any premium, discount or other amount between

the amount paid and the repayment amount is distributed over the term using the effective interest method and recognized in the financial result.

- Liabilities for post-employment benefits resulting from defined benefit plans were calculated according to actuarial principles. Provisions for severance payments are set up to cover the statutory entitlements of workers and salaried employees. The amount of the entitlements depends on the number of years of service and the relevant remuneration at the time of the severance payment.
- A provision is recognized if the electrovac Group is likely to be required to make a future payment under a legal or constructive obligation to third parties that has arisen in the past, and the amount of this payment can be estimated.
- Trade payables are initially recorded at attributable fair value, less any transaction costs. In the following periods, they are valued at amortized cost, applying the effective interest method.
- Other liabilities, unless they are not financial liabilities, are recorded at cost.
- Revenue is recognized when the significant risks and rewards incident to ownership have been transferred to the buyer, it is probable that the consideration will be received, the related costs and possible redemptions can be reliably estimated, there is no continuing right to dispose of the goods and the amount of revenue can be reliably measured. Revenue is recognized net of returns, discounts and volume rebates. Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Licenses are offset within the electrovac Group on the basis of patents and trademark rights held; they are not issued to third parties.
- Interest income and expenses are recognized in profit or loss using the effective interest method.
- Transactions in foreign currencies during the year are translated at the exchange rate prevailing on the date of the transaction. Gains and losses resulting from such transactions and from the translation of monetary assets and liabilities are recognized in the statements of comprehensive income. Additions to and disposals of property, plant and equipment are translated at the mean exchange rate on the balance sheet date, while annual depreciation is translated at the average rate for the year. Changes in exchange rates compared with the prior year are shown separately in the consolidated statements of changes in fixed assets as a difference from currency translation. Currency translation differences are recognized in other comprehensive income and reported in other reserves as a currency translation reserve in equity.

10.4 Key Factors affecting Earnings

The external and internal factors influencing the result of the electrovac Group assessed to be material are shown below.

10.4.1 Business Environment

10.4.1.1 World Trade

The electrovac Group is exposed to both national and international economic influences. Economic shocks, including financial crises, may affect global trade volumes and, consequently, the electrovac Group's business and profitability. Global economic performance also impacts interest rates and exchange rates, which can in turn affect the electrovac Group's results.

10.4.1.2 Relevant Industries

The electrovac Group generates its sales revenues from the Personal Safety, Aerospace and Defense, and Other Mobility and Industry. The Group is therefore highly dependent on sectors where airtight sealing, durability, and precision are critical. Changes in market demand within these industries have a direct impact on revenues.

10.4.1.3 Special Features of Business Operations

10.4.1.3.1 Dependence on Suppliers

The electrovac Group relies on a limited number of qualified suppliers to maintain production levels. If a supplier were to discontinue deliveries, time would be required to transition to alternative suppliers or to qualify a new supplier for the specific product. To mitigate these risks, the electrovac Group maintains long-term supplier relationships, implements inventory buffers for critical components, and pursues dual-sourcing where technically feasible.

10.4.1.3.2 Raw Material Expenses

The electrovac Group's profitability is significantly influenced by the purchase prices of key raw materials, including high-grade steel, nickel, cobalt, palladium, and gold. Raw materials are primarily purchased at daily spot rates and are subject to price volatility driven by global demand cycles, geopolitical tensions, and fluctuations in energy and transportation costs. Under customer agreements, price changes for gold, iron, nickel, and cobalt can be passed through fully to customers.

10.4.1.3.3 Foreign Currency Effects

The electrovac Group's results are influenced by exchange rate fluctuations between the US dollar and the Euro, the Thai Baht and the Euro, the Renminbi Yuan and the Euro and the Thai Baht and the Renminbi Yuan. A stronger Euro generally reduces the competitiveness of exports and lowers the Euro value of non-Euro revenues, while a weaker Euro increases export competitiveness but raises the cost of imported materials, particularly metals and alloys priced in US dollars. Exchange rates between the Thai Baht and Euro affect all costs arising in Thai Baht in Electrovac Thailand and the valuation of loans. Currently, the electrovac Group employs foreign currency hedging against the Renminbi Yuan.

10.4.1.3.4 Tax Effects

Due to differences between IFRS valuations and tax bases, deferred tax liabilities are recorded in the Consolidated Financial Statements. Changes in tax legislation or revised expectations regarding taxable income could affect capitalized income tax liabilities. As the electrovac Group

expands internationally, it may face increased scrutiny regarding transfer pricing, withholding taxes, and risks of double taxation.

10.4.1.3.5 Financial and Investing Risks

As a production entity, the electrovac Group faces financial risks primarily related to interest rate fluctuations and the capital requirements of its companies. Interest rate risks arise from variable and fixed-interest loans from various banks. Interest rate developments are monitored to manage risks using existing and new financing instruments. Increases in interest rates could reduce project profitability, delay or prevent acquisitions, and negatively impact earnings.

Liquidity management is primarily controlled through available liquidity reserves and the volume of committed but unutilized credit lines.

10.4.1.3.6 Valuation of Certain Intangible Assets

Payments for naming rights and patents for technical procedures are capitalized as intangible assets and amortized separately. Extraordinary amortization resulting from unsuccessful use of these assets may affect the electrovac Group's profitability.

10.5 Alternative Performance Measures

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25 unaudited	01.04.24 - 31.03.25 audited (unless stated otherwise)	01.04.23 - 31.03.24 audited (unless stated otherwise)	01.04.22 - 31.03.23 audited (unless stated otherwise)
Trade working capital ^{(1)*}	42,917	35,010	29,696	29,583
Gross profit ⁽²⁾	18,351	17,862	12,128	13,721
Gross profit margin ^{(3)*}	21.4%	18.2%	13.8%	16.1%
EBIT ⁽⁴⁾	10,521	9,109	4,414	5,726
EBIT margin ^{(5)*}	12.2%	9.3%	5.0%	6.7%
EBITDA ^{(6)*}	14,587	14,688	9,200	10,327
EBITDA margin ^{(7)*}	17.0%	15.0%	10.5%	12.1%
Net debt ^{(8)*}	24,001	23,676	24,576	25,674
Net debt / EBITDA ^{(9)*}	1.65x	1.61x	2.67x	2.49x
Free cash flow ^{(10)*}	2,463	4,596	4,480	653
Cash conversion ^{(11)*}	33.1%	64.1%	102.8%	60.2%
Capital employed ^{(12)*}	73,349	68,277	64,098	64,004
ROCE ^{(13)*}	10.8%	10.0%	5.2%	6.7%
CAPEX ^{(14)*}	2,360	4,465	4,315	5,856
CAPEX net sales ratio ^{(15)*}	2.7%	4.5%	4.9%	6.9%

* unaudited

(1) Trade working capital

Trade working capital is a non-IFRS financial measure and calculated as the sum of current trade receivables and inventories minus current trade payables. This measure is relevant for the Issuer as it reflects the electrovac Group's short-term liquidity and operational capital efficiency, which are key performance indicators in the manufacturing industry.

The following table provides an overview of the trade working capital for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	31.12.2025*	31.03.2025	31.03.2024	31.03.2023
Trade receivables	10,869	8,456	8,217	7,154
Inventories	36,280	31,478	26,578	26,866
Trade payables	-4,232	-4,924	-5,099	-4,437
Trade working capital*	42,917	35,010	29,696	29,583

* unaudited

(2) Gross profit

Gross profit is a financial measure representing the difference between the electrovac Group's net sales and its cost of sales. It is calculated by deducting cost of sales from net sales as presented in the consolidated financial statements. Gross profit is relevant for the Issuer as it is a key indicator commonly used to assess the profitability of the electrovac Group's core operations before taking into account other operating expenses, finance costs and taxes, and therefore provides investors with an important measure of the efficiency of the electrovac Group's production and pricing.

(3) Gross profit margin

Gross profit margin is a non-IFRS financial measure, which is defined as the ratio of gross profit to net sales. This measure is relevant for the Issuer because it indicates the profitability of its core production and sales activities and, in particular, its ability to generate profit after covering direct costs of sales.

The following table provides an overview of the gross profit margin for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25*	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
Net sales	85,934	98,163	87,616	85,249
Cost of sales	-67,583	-80,301	-75,488	-71,528
Gross profit	18,351	17,862	12,128	13,721
Gross profit margin*	21.4%	18.2%	13.8%	16.1%

* unaudited

(4) EBIT

EBIT is a non-IFRS financial measure that is determined by taking the result for the period and adding back interest expenses, subtracting interest income, and adjusting for income tax (expense) / benefit, while including depreciation and amortization. This measure is relevant for the Issuer as it reflects the Issuer's operating performance before the impact of its financing structure and income taxes, thereby providing an indication of its underlying profitability from operations.

(5) EBIT margin

EBIT margin is a non-IFRS financial measure that is defined as the ratio of EBIT to net sales. This measure is relevant for the Issuer as it indicates its profitability from operations before the impact of its financing structure and income taxes, and, in particular, its ability to generate earnings from its core business activities relative to its net sales.

The following table provides an overview of the EBIT margin for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25*	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
Gross Profit	18,351	17,862	12,128	13,721
Selling expenses	-3,131	-3,824	-3,578	-3,859
Administrative expenses	-3,979	-4,413	-3,968	-4,126
Research and development expenses	-935	-1,183	-1,033	-957
Other operating income / expenses	216	666	864	948
EBIT	10,521	9,109	4,414	5,726
EBIT margin*	12.2%	9.3%	5.0%	6.7%

* unaudited

(6) EBITDA

EBITDA is a non-IFRS financial measure that is determined by taking the result for the period and adding back interest income, interest expenses, other financial income, other financial expenses, income tax (expense) / benefit, as well as depreciation and amortization. This measure is relevant for the Issuer as it reflects the Issuer's operating performance independently of its financing structure, tax position and non-cash depreciation and amortization charges.

(7) EBITDA margin

EBITDA margin is a non-IFRS financial measure that is calculated as the ratio of EBITDA to net sales. This measure is relevant for the Issuer as it reflects the electrovac Group's operating profitability and its ability to generate earnings from its core business activities, and is commonly used by investors and analysts to assess operational performance and compare profitability across companies in the industry.

The following table provides an overview of the EBITDA margin for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25*	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
EBIT	10,521	9,109	4,414	5,726
Depreciation on property, plant and equipment	4,066	5,579	4,786	4,601
EBITDA*	14,587	14,688	9,200	10,327
EBITDA margin*	17.0%	15.0%	10.5%	12.1%

* unaudited

(8) Net debt

Net Debt (or net financial debt) is a non-IFRS measure that is determined by adding non-current bank loans and borrowings, non-current loans from related parties/affiliated companies, non-current other financial liabilities, current bank loans and borrowings, current loans from related parties / affiliated companies and current other financial liabilities and then subtracting cash and cash equivalents. This metric is important for the Issuer as it is a commonly used financial indicator in the manufacturing sector to illustrate the electrovac Group's level of leverage and to serve as a basis for calculating financial covenants under financing arrangements.

The following table provides an overview of net debt for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	31.12.2025*	31.03.2025	31.03.2024	31.03.2023
Short-term debt	13,727	11,174	10,277	10,663
Long-term debt	12,562	14,090	15,501	16,289
Cash	-2,288	-1,588	-1,202	-1,278
Net debt*	24,001	23,676	24,576	25,674

* unaudited

(9) Net debt to EBITDA

The net debt to EBITDA ratio is a non-IFRS financial measure that is calculated as the ratio of net debt (as defined below) to EBITDA. Net debt typically represents total interest-bearing liabilities minus cash and cash equivalents (and, depending on the specific definition, certain other liquid assets or adjustments as set forth in the relevant agreements or reports). This measure is relevant for the Issuer as it provides an indication of the Issuer's financial leverage and its ability to service and repay its debt from operating cash flows generated by its core business activities.

The following table provides an overview of the net debt to EBITDA ratio for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (unaudited):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
Net debt	24,001	23,676	24,576	25,674
EBITDA	14,587	14,688	9,200	10,327
Net debt / EBITDA	1.65x	1.61x	2.67x	2.49x

(10) Free cash flow

Free cash flow is a non-IFRS financial measure. It is derived by taking the operating cash flow and subtracting the investing cash flow. This measure is relevant for the Issuer as it indicates the amount of cash remaining after expenditures on capital investments have been deducted.

The following table provides an overview of the free cash flow for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25*	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
Operating cash flow	4,823	9,416	9,456	6,218
Investing cash flow	-2,360	-4,820	-4,976	-5,565
Free cash flow*	2,463	4,596	4,480	653

* unaudited

(11) Cash conversion

Cash Conversion is a non-IFRS financial measure. It is determined by dividing operating cash flow by EBITDA. This measure is relevant for the Issuer as it indicates the Group's ability to translate earnings into cash, its capacity to fund capital expenditures from internally generated funds, and its overall cash generation efficiency, which is a key indicator of financial flexibility, liquidity quality and the sustainability of operating performance.

The following table provides an overview of the cash conversion for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25*	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
Operating cash flow	4,823	9,416	9,456	6,218
EBITDA*	14,587	14,688	9,200	10,327
Cash conversion*	33.1%	64.1%	102.8%	60.2%

* unaudited

(12) Capital employed

Capital employed is a non-IFRS financial measure calculated as the sum of net debt and total equity. It represents the total capital invested in the electrovac Group's operations and is used to assess capital efficiency and the relationship between operating performance and the underlying capital base.

(13) ROCE

ROCE (return on capital employed) is a non-IFRS financial measure. It is determined by dividing net operating profit after tax (NOPAT) by capital employed. This measure is relevant for the Issuer as it indicates how efficiently the electrovac Group utilizes its capital base to generate earnings.

The following table provides an overview of the ROCE for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25*	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
Net debt*	24,001	23,676	24,576	25,674
Total equity	49,348	44,601	39,522	38,330
Capital employed*	73,349	68,277	64,098	64,004
NOPAT*	7,891	6,832	3,311	4,295
ROCE*	10.8%	10.0%	5.2%	6.7%

* unaudited

(14) CAPEX

CAPEX is a non-IFRS financial measure. It is determined as the aggregate of additions to property, plant and equipment and additions to intangible assets and goodwill. This measure is relevant for the Issuer as it represents the Issuer's investments in its asset base.

(15) CAPEX net sales ratio

The CAPEX to sales ratio is a non-IFRS financial measure, which is determined by dividing CAPEX by sales. This measure is relevant for the Issuer as it indicates the share of the Company's sales that is reinvested into its operations.

The following table provides an overview of the CAPEX to sales ratio for the nine-month period ended 31 December 2025 as well as for the financial years ending 31 March 2023, 31 March 2024 and 31 March 2025 (audited unless stated otherwise):

Values in kEUR (unless stated otherwise)	01.04.25 - 31.12.25*	01.04.24 - 31.03.25	01.04.23 - 31.03.24	01.04.22 - 31.03.23
CAPEX	2,360	4,465	4,315	5,856
Net sales	85,934	98,163	87,616	85,249
CAPEX net sales ratio*	2.8%	4.5%	4.9%	6.9%

* unaudited

10.6 Interim IFRS Consolidated Financial Statements of the electrovac Group as of 31 December 2025

The Consolidated Financial Statements of the electrovac Group contain the following legal entities, all of which are direct or indirect 100% subsidiaries of electrovac AG:

- electrovac germany GmbH, Germany with its two subsidiaries Electrovac Thailand Co. Ltd., Thailand and Electrovac USA Inc., USA
- electrovac components GmbH & Co. KG, Salzweg, Germany
- electrovac austria GmbH, Austria
- Electrovac France SAS, France
- Electrovac Japan K.K., Japan

All entities within the electrovac Group are fully consolidated. The only exception is electrovac components Verwaltungs-GmbH (*Komplementär* / general partner of electrovac components GmbH & Co. KG), which is not consolidated as it is considered immaterial.

10.6.1 Analysis of the electrovac Group's Comprehensive Income

The Unaudited Interim Consolidated Financial Statements as of 31 December 2024 and 31 December 2025 are shown in abridged form as follows:

IFRS values in kEUR	01.04.- 31.12.2025 unaudited		01.04.24- 31.12.2024 unaudited	
	kEUR	% *	kEUR	% *
Sales	85,934	100	71,027	100
Cost of sales	-67,583	-79	-58,425	-82
Gross profit	18,351	21	12,602	18
Selling expenses	-3,131	-4	-2,918	-4
Administrative expenses	-3,979	-5	-3,189	-4
Research and development expenses	-935	-1	-876	-1
Other operating income / expenses	216	0	1,187	2
EBIT	10,521	12	6,806	10
Interest income	43	0	50	0
Interest expenses	-1,351	-2	-1,471	-2
Profit before tax	9,213	11	5,385	8
Income taxes	-1,962	-2	-1,252	-2
Deferred taxes	-71	0	0	0
Profit for the year	7,180	8	4,132	6
Foreign operations currency-translation differences	-83	0	498	1
Total comprehensive income	7,097	8	4,630	7

* Percent of sales

The rise in sales compared to previous year is based on significant higher output of airbag ignitor headers for Aerospace and Defense applications. Economies of scales result in higher gross profit and EBIT. The indicators EBIT and Profit before taxes used in this table are not indicators to measure the financial position, operating performance or liquidity under generally accepted accounting principles, in particular not under IFRS, and are therefore no alternative to the financial assets, earnings or liquidity indicators under IFRS.

10.6.2 Analysis of the electrovac Group's Asset Structure

The following shows the asset side of the electrovac Group's consolidated balance sheet, as contained in the Audited Consolidated Financial Statements as of 31 March 2025, respectively the Unaudited Interim Consolidated Financial Statements as of 31 December 2025:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Property, plant and equipment	23,452	23,829
Goodwill	7,735	7,735
Intangible assets	2,480	2,766
Right of use	6,265	6,526
Non-current financial assets	93	350
Investment properties	832	902
Deferred tax assets	86	86
Non-current assets	40,944	42,193
Inventories	36,280	31,478
Trade receivables	10,869	8,456
Other assets	1,697	3,524
Cash and cash equivalents	2,288	1,588
Current assets	51,133	45,046
Balance sheet total	92,077	87,239

10.6.3 Property, Plant and Equipment

The property, plant, and equipment of the electrovac Group primarily comprise production and manufacturing machinery, as well as operating and office equipment, and can be summarized as follows:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Land, land rights and buildings on third-party land	891	936
Technical equipment and machinery	18,770	15,647
Factory and office equipment	2,057	2,043
Prepayments and assets under construction	1,734	5,203
Total	23,452	23,829

The land, land rights, and buildings on third-party land primarily comprise production and administrative facilities located in Klosterneuburg.

The technical equipment and machinery mainly consist of the electrovac Group's production assets, including thermal furnaces, galvanic systems, specialized mechanical and optical inspection machinery, stamping tools, toolmaking equipment, pin cutting machines, and testing devices.

The assets under construction primarily relate to self-constructed production facilities and stamping tools. In addition to direct production costs, capitalized costs include appropriate allocations of material and manufacturing overheads. General administrative and selling expenses are not capitalized.

The factory and office equipment mainly comprise small production and measuring devices, as well as office, warehouse, and IT equipment used across the electrovac Group's operations.

10.6.4 Goodwill

Goodwill arising from the initial consolidation as of 31 December 2025 results from the following:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Acquisition costs of the contribution in kind	24,527	24,527
Fair value of net assets	-16,792	-16,792
Total	7,735	7,735

The goodwill mainly results from the contribution of the subsidiary electrovac germany GmbH as a sub-group, including its subsidiaries Electrovac Thailand Co., Ltd. and Electrovac USA Inc., as well as electrovac components GmbH & Co. KG, and are calculated as follows:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
electrovac components GmbH & Co. KG	6,270	6,270
electrovac germany GmbH	1,434	1,434
Electrovac Japan K.K.	31	31
Total	7,735	7,735

Goodwill mainly arises from the expertise and long-standing professional experience of the electrovac Group's employees, as well as from the expected synergies resulting from the integration of the acquired companies into the electrovac Group. Deferred taxes are not recognized on temporary differences related to goodwill, as the goodwill is not tax-deductible.

10.6.5 Intangible Assets

Intangible assets primarily comprise software licenses, patents, and trademark rights. As of 31 March 2025, intangible assets amounted to kEUR 2,766, including kEUR 2,291 attributable to the acquired trademark "electrovac". As of 31 December 2025, intangible assets totalled kEUR 2,480.

10.6.6 Investment Properties

Investment properties consist of portions of land and buildings in Klosterneuburg that are leased to third parties and are not used for the electrovac Group's own operational activities. The net annual rental income from these properties amounted to kEUR 207 for the 12-month period ending 31 March 2025, compared to kEUR 262 in the prior financial year.

10.6.7 Deferred Tax Assets

Deferred tax assets primarily arise from temporary differences between the carrying amounts of assets and liabilities in the Audited Consolidated Financial Statements and their corresponding tax bases. The main components include provisions (kEUR 293), lease liabilities (kEUR 2,611), inventories (kEUR 50), long-term financial liabilities (kEUR 6), and tax-loss carryforwards (kEUR 10). The total deferred tax assets amount to kEUR 86.

10.6.8 Inventories

Inventories are composed as follows:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Raw materials and consumables	24,505	20,968
Unfinished goods	10,256	9,359
Finished goods and trade goods	7,625	6,905
Inventories gross	42,387	37,233
Less allowances for inventories	-6,107	-5,755
Inventories net	36,280	31,478

Net inventories increased to kEUR 36,280 as of 31 December 2025, compared to kEUR 31,478 as of 31 March 2025, primarily driven by higher levels of raw materials and consumables.

Inventories are measured at the lower of cost or net realizable value. Write-downs are applied based on the inventory turnover period (average consumption divided by average inventory). Materials with a turnover period exceeding 12 months are subject to a 75% write-down, while materials with a turnover period exceeding 24 months are fully written down (100%).

10.6.9 Trade Receivables

Trade receivables primarily include amounts arising from factoring, totalling kEUR 8,522 as of 31 December 2025. The rise of net trade receivables from kEUR 8,456 as of 31 March 2025 to kEUR 10,869 as of 31 December 2025 is mainly caused by significantly higher sales at Electrovac (Thailand) Co., Ltd (rise of net trade receivables by kEUR 2,359).

10.6.10 Other Assets

Other assets as of 31 March 2025 primarily comprise financial assets totalling kEUR 1,524. In addition, they include receivables from tax authorities of kEUR 961, other current assets of kEUR 513, and prepaid expenses of kEUR 526. In total, other assets amounted to kEUR 3,524 as of 31 March 2025. Due to a repayment of short time loans to shareholders, other assets declined to kEUR 1,697 as of 31 December 2025.

10.6.11 Cash and Cash Equivalents

Cash and cash equivalents (kEUR 2,288 as of 31 December 2025) consist of cash on hand and bank balances, including cash advances, with maturities of up to three months.

10.6.12 Analysis of the electrovac Group's Capital Structure

The table below presents the equity and liabilities side of the electrovac Group's consolidated balance sheet, as reported in the Audited Consolidated Financial Statements as of 31 March 2025 and the Unaudited Interim Consolidated Financial Statements as of 31 December 2025.

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Issued share capital	500	500
Capital reserve	29,015	29,015
Profit reserves	0	0
Other reserves	-234	-151
Profit for the year	20,066	15,236
Equity	49,348	44,601
Financial liabilities	4,183	5,345
Leasing liabilities	8,379	8,745
Liabilities for post-employment benefits	2,170	2,246
Deferred tax liabilities	517	451
Non-current liabilities	15,250	16,787
Financial liabilities	12,302	9,746
Leasing liabilities	1,425	1,428
Other provisions	621	621
Trade payables	4,232	4,924
Tax liabilities	2,253	2,064
Other liabilities	6,647	7,069
Current liabilities	27,479	25,851
Balance sheet total	92,077	87,239

10.6.13 Equity

As of 31 December 2025, the issued share capital of electrovac AG has been divided into 500,000 no-par shares with a nominal value of EUR 1 each, amounting to kEUR 500 as of the balance sheet date. On 29 January 2026, the share capital of electrovac AG was increased to EUR 12,160,000.

The capital reserve amounts to kEUR 29,015, primarily resulting from a capital increase in kind and in cash carried out in 2018, net of directly attributable equity issuance costs of kEUR 28,518. The capital reserve also reflects a debt waiver by Electrovac Holding AG in connection with the acquisition of patents and trademark rights, amounting to kEUR 465. In addition, during the 2018/2019 financial year, kEUR 32 was transferred from retained earnings to the capital reserve.

Other reserves comprise currency translation differences arising from consolidation, changes in the fair value of financial instruments recognized in other comprehensive income, and actuarial gains and losses from defined benefit plans, including the related tax effects.

Earnings per share (basic and diluted) as of 31 December 2025 were EUR 14.36 (total earnings: kEUR 7,180), compared to EUR 8.26 (total earnings: kEUR 4,132) as of 31 December 2024. The calculation is based on the average number of shares outstanding during the respective periods of 500,000 shares.

In the first half year of 2025/26, a dividend of EUR 4.70 per share (total dividend: kEUR 2,350) was approved and paid, for the full financial year 2024/25 (see Section 7 “Dividend Policy”;

Dividend per Share” for more details on dividend policy). In the financial year 2024/25, a dividend of EUR 0.77 per share (total dividend: kEUR 385) was approved and paid, for the full financial year 2023/24. In the financial year 2023/24, a dividend of EUR 0.80 per share (total dividend: kEUR 400) was approved and paid, for the full financial year 2022/23.

Retained earnings changed due to the allocation of the consolidated profit for the current financial year of kEUR 5,183, less the dividend of kEUR 2,350 paid during the period. Profit carried forward from the prior year amounted to kEUR 15,236.

10.6.14 Financials Liabilities

The table below presents the maturity profile of the electrovac Group’s financial liabilities, illustrating both the timing of contractual cash flows and the development of these liabilities over time:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Non-current financial liabilities	4,183	5,345
Current financial liabilities	12,302	9,746
Total	16,485	15,091

The electrovac Group’s financial liabilities primarily relate to obligations under the following credit and loan agreements:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Lease loans / purchase loan	2,813	3,101
KfW loan	676	1,079
Other loans	4,707	5,327
Current accounts	8,268	5,564
Total	16,464	15,071

Other loans include an amount of kEUR 1,000, which was raised to finance the acquisition of trademark rights and patents (nominal value in 2018 kEUR 4,000). A follow-up loan with a nominal value of kEUR 1,000 and a carrying amount of kEUR 625 as of 31 December 2025 was raised in the 2023/2024 financial year. As collateral for this loan, electrovac AG has pledged the related industrial property rights and assigned licenses to the lending bank.

As part of the KfW loan agreements, the electrovac Group has committed to certain covenants. Non-compliance with these covenants could trigger the early repayment of the loans.

10.6.15 Leasing Liabilities

As of 31 March 2025, lease liabilities amounting to kEUR 10,173 primarily relate to rented land, premises, and buildings in Salzweg, as well as the leased land in Klosterneuburg, all classified as finance leases. The finance lease in Klosterneuburg was recognized at the present value of the minimum lease payments, while the finance lease in Salzweg was recognized at cost. The terms of these lease liabilities range between 15 and 55 years.

As of 31 December 2025, lease liabilities decreased to kEUR 9,804 due to planned depreciation.

10.6.16 Liabilities for Non Current Post-Employment Benefits

Long-term personnel liabilities consist mainly of severance provisions, anniversary provisions and partial retirement provisions. Since the time and interest effect is not insignificant for long-term provisions, the carrying amounts are recognized at their respective present values.

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Provision for severance payments	1,186	1,246
Jubilee payments	538	531
Provisions for partial retirement	344	375
Other provisions for severance payments	102	93
Liabilities for non-current post-employment benefits	2,170	2,246

10.6.17 Deferred Tax Liabilities

As of 31 March 2025, the electrovac Group's deferred tax liabilities of kEUR 451 primarily arise from temporary differences between the carrying amounts reported in the Audited Consolidated Financial Statements and the corresponding tax-related carrying amounts. The main effects relate to leasing liabilities (kEUR 1,874), tangible fixed assets (kEUR 1,448), trade receivables (kEUR 6), trade payables (kEUR 4), and cash and cash equivalents (kEUR 2).

The change to kEUR 517 as of 31 December 2025 arises from different exchange rate EUR/THB compared to 31 March 2025.

10.6.18 Provisions

The following table shows the maturity structure of the electrovac Group's provisions:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Provision for warranties	160	160
Provision for onerous contracts	461	461
Current provisions	621	621

The provision for warranties is based on historical warranty costs incurred in prior years. Accordingly, the actual expenses may differ significantly from the amount recognized as a provision. The provision for onerous contracts is recognized for all sales orders outstanding at the reporting date for which the expected costs to fulfil the contracts exceed the associated revenues.

10.6.19 Trade Payables

As of 31 December 2025, trade payables amounted to kEUR 4,232 and are all due within one year.

10.6.20 Tax Liabilities

Tax liabilities consist of corporate income tax and trade tax.

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Corporate income tax	1,408	1,319
Trade tax	845	745
Total	2,253	2,064

10.6.21 Other Liabilities

Other liabilities are all due within one year and comprise the following:

IFRS values in kEUR	31.12.2025 unaudited	31.03.2025 audited
Liabilities for unused vacation days	1,166	1,333
Liabilities from flexitime credits	579	646
Liabilities from premiums and royalties	1,031	984
Liabilities for unscheduled payments to employees	68	957
Liabilities for legal and consulting fees	638	208
Other obligations under social security	281	259
Liabilities to tax authorities	360	508
Other liabilities	2,524	2,173
Total	6,647	7,069

10.6.22 Analysis of the Electrovac Group's Financial Condition

The consolidated cash flow statements for the nine-month period ended 31 December 2025 and for the nine-month period ended 31 December 2024 are presented below, based on the Unaudited Interim Consolidated Financial Statements as of 31 December 2025.

IFRS values in kEUR	01.04. – 31.12.2025 unaudited	01.04. – 31.12.2024 unaudited
Profit for the period	7,180	4,132
Amortization on tangible and intangible assets	4,066	3,735
Financial result	1,308	1,422
Tax result	2,033	1,252
Taxes paid	-1,493	-523
Other non-cash items	-170	503
Changes in net current assets	12,924	10,521
Cash flow from operating activities		
Change in inventories and prepayments for inventories	-4,802	-4,009
Changes in trade account receivables	-2,413	681
Change other receivables & prepayments	508	196
Change in trade payables	-692	-1,514
Change in other liabilities	-702	-746
Cash flow from changes in working capital	-8,101	-5,392
Cash flow from operating activities	4,823	5,129
Cash flow from investment activities		
Acquisition of intangible assets and property, plant and equipment	-2,360	-3,483
Acquisition of financial assets	0	-408
Cash flow from investment activities	-2,360	-3,891
Cash flow from financing activities		
Repayments from other non-current liabilities	-1,994	-2,181
Recognition of financial liabilities	684	904
Change in overdrafts	2,704	3,722
Repayments of lease liabilities	-1,080	-933
Interest paid	-1,308	-1,422
Dividends paid	-768	-400
Cash flow from financing activities	-1,763	-309
Total changes of liquid funds		
Liquid funds beginning of the period	1,588	1,202
Liquid funds end of the period	2,288	2,132

Total changes of liquid funds	699	929

In both periods change in overdrafts is shown in cash flow from financing activities instead of change in liquid funds.

10.6.23 Cash Flow From Operating Activities

Cash flow from operating activities totaled kEUR 5,129 for the Interim Consolidated Cash Flow Statement as of 31 December 2024. The consolidated profit for the period amounted to kEUR 4,132.

As of 31 December 2025, cash flow from operating activities of kEUR 4,823 was generated. This development resulted mainly from the increased profit of kEUR 7,180 and change in working capital of kEUR -2,413, which is attributable to 21.0% higher sales value as of 31 December 2025 compared to the previous year.

10.6.24 Cash Flow From Investment Activities

As of 31 December 2025, cash flow from investment activities of kEUR -2,360 was generated. Investments in intangible assets and property, plant and equipment were slightly lower compared to previous periods.

10.6.25 Cash Flow From Financing Activities

As of 31 December 2025, the electrovac Group generated a cash flow from financing activities of kEUR -1,763. This sum was significantly driven by now showing overdrafts here. Other items were fairly in line with previous periods.

10.6.26 Liquid Funds Available at the end of the Reporting Period

The cash and cash equivalents at the end of the periods, as presented in the cash flow statements, developed as follows:

IFRS values in kEUR	01.04. – 31.12.2025 unaudited	01.04. – 31.12.2024 unaudited
Liquid funds beginning of the period	1,588	1,202
Liquid funds end of the period	2,288	2,132
Total changes of liquid funds	699	929

10.7 IFRS Consolidated Financial Statements of the electrovac Group for the Financial Years ending 31 March 2025, 2024 and 2023

10.7.1 Analysis of the Consolidated Financial Statements of Comprehensive Income

The electrovac Group statements of comprehensive income for the financial years 2024/25, 2023/24, and 2022/23, as included in the Audited Consolidated Financial Statements for the years ended 31 March 2025, 2024, and 2023, respectively, are summarized below:

IFRS values in kEUR	01.04.24 - 31.03.25 audited		01.04.23 - 31.03.24 audited		01.04.22 - 31.03.23 audited	
	kEUR	% *	kEUR	% *	kEUR	% *
Sales	98,163	100	87,616	100	85,249	100
Cost of sales	-80,301	-82	-75,488	-86	-71,528	-84
Gross profit	17,862	18	12,128	14	13,721	16
Selling expenses	-3,824	-4	-3,578	-4	-3,859	-5
Administrative expenses	-4,413	-4	-3,968	-4	-4,126	-5
Research and development expenses	-1,183	-1	-1,033	-1	-957	-1
Other operating income / expenses	666	1	864	1	948	1
EBIT	9,109	9	4,414	5	5,726	7
Interest income	76	0	27	0	1	0
Interest expenses	-1,969	-2	-1,986	-2	-1,374	-2
Profit before tax	7,215	7	2,455	3	4,354	5
Income taxes	-2,035	-2	-483	-1	-948	-1
Deferred taxes	3	0	-48	0	-174	0
Profit for the year	5,183	5	1,924	2	3,232	4
Foreign operations currency-translation differences	336	0	-274	0	-36	0
Measured at fair value through other comprehensive income	-36	0	9	0	1	0
Actuarial gains/losses	-35	0	-79	0	70	0
Taxes attributable to other comprehensive income	16	0	11	0	-7	0
Total comprehensive income	5,464	6	1,591	2	3,261	4

* Percent of sales

The EBIT and Profit Before Tax figures presented in this table are not measures of financial position, operating performance, or liquidity under generally accepted accounting principles, including IFRS, and should not be regarded as substitutes for IFRS-based financial, earnings, or liquidity indicators.

10.7.2 Sales

Sales are reported net of value-added tax and other taxes and duties as well as on an after deduction-basis.

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Sales gross	98,227	87,660	85,339
Sales deductions	-64	-45	-91
Sales net	98,163	87,616	85,249

In financial year 2022/23, net sales increased significantly by kEUR 7,967 to kEUR 85,249 (prior year: kEUR 77,282). In 2023/24, net sales rose by kEUR 2,367 to kEUR 87,616. From 2023/24 to 2024/25, net sales further increased to kEUR 98,163.

The regional breakdown and development of sales over time is explained below:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Europe	58,723	55,733	53,005
Asia	23,852	19,513	22,109
United States	14,457	10,726	8,668
Other	1,195	1,689	1,558
Total	98,227	87,660	85,339

The electrovac Group is primarily engaged in export activities and generates the majority of its sales in Europe and Asia/Far East. While in 2022/23 the share was 88.0%, it decreased in 2023/24 to 85.8% and in 2024/25 to 84.1%. The increase in the United States reflects business expansion in the area of special applications.

The breakdown and development of sales by business area over time are explained below as extracted from the electrovac Group's unaudited internal data analysis:

IFRS values in kEUR	01.04.24 - 31.03.25 unaudited	01.04.23 - 31.03.24 unaudited	01.04.22 - 31.03.23 unaudited
Personal Safety	42,043	34,749	34,020
Defense and Aerospace	19,581	15,543	13,634
Other Mobility and Industry	36,603	37,368	37,685
Total	98,227	87,660	85,339

10.7.3 Cost of Sales

The following provides an overview of the composition and development of cost of sales over time:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Cost of materials	40,793	35,377	36,241
Personnel costs - production	24,418	23,527	21,972
Production overheads	8,539	8,654	8,677
Depreciation of production	3,331	3,007	3,037
Change in inventories	-2,188	335	-3,113
Other own work capitalised	-298	-642	-757
Other direct costs	5,706	5,229	5,471
Total	80,301	75,488	71,528

In financial year 2022/23, cost of sales increased by kEUR 5,431 to kEUR 71,528 (prior year: kEUR 66,097). In 2023/24 cost of sales increased by kEUR 3,960 to kEUR 75,488. In 2024/25, cost of sales increased by kEUR 4,813 to kEUR 80,301, mainly driven by an increase in cost of materials. In fact, material costs amounted to 41.6% of sales (prior year: 40.4%). Changes in the material cost ratio are mainly attributable to fluctuations in procurement prices for industrial metals (e.g., nickel, cobalt) and precious metals (e.g., palladium).

Personnel costs in production amounted to kEUR 24,418 in 2024/25, slightly higher than kEUR 23,527 in 2023/24, while the total number of production employees decreased by two to 421. Collective bargaining agreements continue to influence personnel expenses: in financial year 2024/25, electrovac germany GmbH implemented a tariff increase of 3.3%, and electrovac austria GmbH an increase of 6.8%. In addition, remuneration at electrovac components GmbH & Co. KG and in Electrovac Thailand Co., Ltd. was structurally adjusted.

10.7.4 Selling Expenses

The following provides an overview of the composition and development of selling expenses over time:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Personnel costs - selling	1,961	1,842	1,803
Freight and commission	662	618	863
Other costs	1,200	1,118	1,193
Total	3,824	3,578	3,859

In 2024/25, total selling expenses increased slightly by kEUR 246 to kEUR 3,824. The increase was broadly attributable to personnel costs, freight and commission expenses, and other costs.

The electrovac Group maintains its own sales departments at locations in Germany, Austria, France, Japan, and the United States. In addition, it has agreements with industrial and commercial representatives.

Other costs include costs for travel, company vehicles, advertising, marketing, trade fairs, product liability insurance, and similar items.

10.7.5 Administrative Expenses

The breakdown and development of administrative expenses over time are explained below:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Personnel costs - administrative	2,271	1,908	1,898
Other costs	2,142	2,060	2,229
Total	4,413	3,968	4,126

In 2022/23, administrative expenses increased by kEUR 670 to kEUR 4,126, primarily due to consulting services utilized by the electrovac Group. In 2023/24, administrative expenses decreased slightly by kEUR 158 to kEUR 3,968 (prior year: kEUR 4,126). From 2023/24 to 2024/25, administrative expenses increased to kEUR 4,413.

10.7.6 Research and Development Expenses

The breakdown and development of research and development expenses over time are explained below:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Personnel costs - development	1,025	866	809
Other costs	158	167	148
Total	1,183	1,033	957

The electrovac Group maintains dedicated development departments at the electrovac germany GmbH and electrovac austria GmbH sites, whose main task is to advance customer inquiries to series-ready products. Other expenses include costs for travel, patents, test materials, technical consulting, and similar items.

In 2022/23, research and development expenses decreased by kEUR 104 to kEUR 957 (prior year: kEUR 1,061), in 2023/24 by kEUR 76 to kEUR 1,033 and in 2024/25 by kEUR 150 to kEUR 1,183.

10.7.7 Other Income / Expenses

In 2022/23, other income decreased by kEUR 13 to kEUR 948 (prior year: kEUR 961). The largest items were energy subsidies of kEUR 86 and research grants of kEUR 242 (prior year: kEUR 125). In 2023/24, other income amounted to kEUR 864, primarily comprising rental income (kEUR 446), energy subsidies (kEUR 124), and research grants (kEUR 130). In 2024/25, other income decreased by kEUR 198 to kEUR 666 mainly due to impairment losses of kEUR -482.

10.7.8 Interest Expenses

The breakdown and development of interest and similar expenses over time are explained below:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Interest expense for loans	1,011	1,052	518
Interest expenses on provisions	83	78	31
Interest expense for leases	530	533	675
Interest expenses for factoring	264	231	105
Unused supplier discounts	80	93	46
Total	1,969	1,986	1,374

In 2022/23, interest and similar expenses increased by kEUR 220 to kEUR 1,374 (prior year: kEUR 1,154). In 2023/24, these expenses rose by kEUR 612 to kEUR 1,986, primarily due to the recognition of new loans. In 2024/25, they remained stable at kEUR 1,969.

10.7.9 Taxes on Income

The breakdown and development of taxes on income over time are explained below:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Income taxes	2,035	483	948
Deferred taxes	-3	48	174
Total	2,032	531	1,122

In 2022/23, taxes on income increased by kEUR 225 to kEUR 948 (prior year: kEUR 723), primarily due to higher income taxes from electrovac austria GmbH. In 2023/24, taxes on income decreased by kEUR 465 to kEUR 483, mainly as a result of lower income taxes from electrovac austria GmbH and electrovac germany GmbH. In 2024/25, taxes on income increased again to kEUR 2,035, mainly driven by the income taxes from electrovac germany GmbH (kEUR 1,351).

10.7.10 Foreign Operations Currency-Translation Differences

In 2022/23, currency-translation differences increased by kEUR 321 to kEUR -439 (prior year: kEUR -118). In 2023/24, currency-translation differences decreased by kEUR 82 to kEUR -357. In 2024/25, they increased again to kEUR 336.

10.7.11 Analysis of the Asset Structure

The following presents the asset side of the electrovac Group balance sheet as of 31 March 2025, 2024, and 2023, as reported in the Audited Consolidated Financial Statements for the respective years:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Property, plant and equipment	23,829	23,492	22,823
Goodwill	7,735	7,735	7,735
Intangible assets	2,766	2,890	3,043
Right of use	6,526	6,844	7,109
Financial assets	350	343	209
Investment properties	902	941	922
Deferred tax assets	86	178	974
Non-current assets	42,193	42,423	42,815
Inventories	31,478	26,578	26,866
Trade receivables	8,456	8,217	7,154
Other assets	3,524	2,223	2,598
Cash and cash equivalents	1,588	1,202	1,278
Current assets	45,046	38,220	37,896
Balance sheet total	87,239	80,643	80,711

10.7.12 Property, Plant and Equipment

The property, plant and equipment of the Audited Consolidated Financial Statements essentially consist of production and manufacturing machinery, as well as operating and office equipment, and are as follows:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Land and buildings	936	855	949
Technical equipment and machinery	15,647	16,772	16,901
Factory and office equipment	2,043	2,100	2,388
Prepayments and assets under construction	5,203	3,765	2,586
Total	23,829	23,492	22,823

As of 31 March 2024, property, plant, and equipment remained largely unchanged at kEUR 16,772 compared with the prior year (kEUR 16,901). The increase in prepayments and assets under construction was driven by machine investments in Thailand (kEUR 2,570), which continued to rise in 2024/25 to kEUR 5,203.

Technical equipment and machinery primarily consist of production facilities, including thermal ovens, galvanic equipment, specialized machinery for mechanical production and optical inspections, stamping machinery and tools, tool construction machinery, pin-cutting machinery, and testing equipment.

Factory and office equipment mainly comprises low-value fixed assets for warehouse and storage equipment, administrative equipment, and small systems.

10.7.13 Intangible Assets

As of 31 March 2023, intangible assets remained relatively stable at kEUR 3,043 compared with the prior year (kEUR 3,348). These assets primarily consist of software licenses. As of 31 March 2024, intangible assets decreased by kEUR 458 to kEUR 2,890. As of 31 March 2025, intangible assets decreased by kEUR 124 to kEUR 2,766.

10.7.14 Right of use

The breakdown and development of right of use over time are explained below:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Right of use land and building (Salzweg)	2,449	2,487	2,358
Right of use land (Klosterneuburg)	2,975	3,394	3,960
Other leased assets	1,102	963	792
Total	6,526	6,844	7,109

As of 31 March 2018, electrovac germany GmbH sold its land, buildings and premises in Salzweg to a real estate company and subsequently leased them back under a sale-and-leaseback

agreement, classified as a finance lease. The sale value of kEUR 2,600 is recognized as a right-of-use asset and amortized over 15 years.

10.7.15 Non-Current Financial Assets

The following provides an overview of the composition and development of non-current financial assets over time:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Investments	26	26	26
Other loans	324	317	183
Total	350	343	209

10.7.16 Investment Properties

Investment properties increased slightly from kEUR 922 as of 31 March 2023 to kEUR 941 as of 31 March 2024 and then decreased to kEUR 902 as of 31 March 2025. These investment properties comprise buildings and land in Klosterneuburg, which are leased to third parties and not used for the electrovac Group's own operations. Annual rental income in the financial year 2024/2025 amounts to kEUR 207.

10.7.17 Deferred Tax Assets and Liabilities

The breakdown and development of deferred tax assets and liabilities over time are explained below:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Deferred tax assets	86	178	974
Deferred tax liabilities	-451	-551	-1,327
Total (net deferred tax)	-365	-373	-353

The deferred taxes are therefore entirely the result of temporary differences. There were no changes in the tax rate in the reporting periods.

10.7.18 Inventories

The breakdown and development of inventories over time are explained below:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Raw materials and consumables	20,968	17,806	17,049
Unfinished goods	9,359	8,436	8,334
Finished goods and trade goods	6,905	6,030	6,861
Inventories gross	37,233	32,271	32,244
Less allowances for inventories	-5,755	-5,693	-5,378
Inventories net	31,478	26,578	26,866

The increase in inventories over the three financial years is attributable to the general increase in business volume driven by the operating entities Electrovac Thailand Co., Ltd., electrovac germany GmbH and electrovac austria GmbH.

10.7.19 Trade Receivables

The breakdown and development of trade receivables over time are explained below:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Trade receivables gross	8,680	8,276	7,235
Foreign exchange effect	-179	-19	-14
Value adjustment for uncollectible and doubtful receivables	-26	-28	-58
Value adjustment for expected losses in accordance with IFRS 9	-10	-10	-7
FVOCI valuation	-9	-1	-2
Trade receivables net	8,456	8,217	7,154

In 2022/23, trade receivables mainly include amounts from factoring, totalling kEUR 5,401, increasing to kEUR 6,865 in 2023/24 and kEUR 7,974 in 2024/25. Receivables overdue by more than 90 days amounted to kEUR 50 as of 31 March 2023, kEUR 349 as of 31 March 2024 and kEUR 143 as of 31 March 2025.

10.7.20 Other Assets

The breakdown and development of other assets over time are explained below:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Receivables from tax authorities	961	504	864
Financial assets	1,524	1,001	106
Other assets	513	356	1,335
Prepaid costs	526	361	293
Total	3,524	2,223	2,598

As of 31 March 2023, total other assets increased by kEUR 592 (prior year: kEUR 2,006) due to an increase in other assets. In 2022/23, financial assets were included in other assets. Thus, financial assets are lower than in the two following years and other assets significantly higher. As of 31 March 2024, total other assets decreased by kEUR 375 to kEUR 2,223 due to lower tax receivables. As of 31 March 2025, financial assets increased by kEUR 523 to kEUR 1,524 due to loans to shareholders of kEUR 1,311, leading to an increase in total other assets of kEUR 1,301 to kEUR 3,524.

10.7.21 Cash and Cash Equivalents

Cash and cash equivalents decreased from kEUR 1,278 on 31 March 2023 to kEUR 1,202 on 31 March 2024 and increased to kEUR 1,588 on 31 March 2025.

10.7.22 Analysis of the electrovac Group Capital Structure

The following shows the equity and liabilities side of the electrovac Group balance sheet for 31 March 2025, 2024 and 2023, as contained in the Audited Consolidated Financial Statements for the business year ending 31 March 2025, 2024 and 2023:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 Audited
Issued share capital	500	500	500
Capital reserve	29,015	29,015	29,015
Profit carried forward	-151	-431	-99
Profit for the year	15,236	10,438	8,914
Equity	44,601	39,522	38,330
Financial liabilities	5,345	6,219	6,776
Leasing liabilities	8,745	9,282	9,513
Liabilities for post-employment benefits	2,246	2,319	2,213
Deferred tax liabilities	451	551	1,327
Non-current liabilities	16,787	18,371	19,829
Financial liabilities	9,746	9,028	9,444
Leasing liabilities	1,428	1,249	1,219
Provisions	621	658	659
Trade payables	4,924	5,099	4,437
Tax liabilities	2,064	560	947
Other liabilities	7,069	6,156	5,846
Current liabilities	25,851	22,751	22,552
Balance sheet total	87,239	80,643	80,711

10.7.23 Equity

As of 31 March 2023, equity increased by kEUR 2,833 to kEUR 38,330 due to the income for the year. As of 31 March 2024, equity increased again by kEUR 1,192 to kEUR 39,522 again driven by the increased income for the year. As of 31 March 2025, equity increased again by kEUR 5,079 compared with the prior business year. Dividend per share was EUR 0.80 for 2022/23, EUR 0.77 for 2023/24 and EUR 4.70 for 2024/25, based on an average number of 500,000 shares, respectively. See section 7 “*Dividend Policy; Dividend per Share*” for more context on dividend policy and payout ratios.

10.7.24 Financial Liabilities

The following shows the maturity structure of financial liabilities and their development over time:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Non-current financial liabilities	5,345	6,219	6,776
Current financial liabilities	9,746	9,028	9,444
Total	15,091	15,246	16,220

The financial liabilities mainly relate to obligations arising from the following credit and loan agreements:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Lease loans	3,101	2,011	1,956
KfW loan	1,079	1,789	2,498
Other loans	5,327	7,172	5,163
Current accounts	5,564	4,274	6,603
Total	15,071	15,246	16,220

As of 31 March 2023, financial liabilities increased by kEUR 1,834 to kEUR 16,220 due to higher current account liabilities and current liabilities to financial institutions. As of 31 March 2024, financial liabilities decreased by kEUR 974 to kEUR 15,246 mainly due to reduced current account liabilities. As of 31 March 2025, financial liabilities remained constant at kEUR 15,071.

As part of the KfW loans, the electrovac Group has agreed certain covenants that will result in the loans becoming due, if they are not met.

10.7.25 Leasing Liabilities

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Non-current leasing liabilities	8,745	9,282	9,513
Current leasing liabilities	1,428	1,249	1,219
Total	10,173	10,531	10,732

As of 31 March 2023, leasing liabilities significantly decreased by kEUR 4,016 to kEUR 10,732 mainly due to lower liabilities of electrovac austria GmbH. As of 31 March 2024, leasing liabilities slightly decreased by kEUR 201 to kEUR 10,531 and mainly comprise a finance lease for land in Klosterneuburg and Salzweg. As of 31 March 2025, leasing liabilities slightly decreased by kEUR 358 to kEUR 10,173.

10.7.26 Long-term Personnel Liabilities

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Provisions for severance payments	1,246	1,356	1,359
Provisions for jubilee payments	531	515	483
Provisions for partial retirement	375	374	281
Other provisions for severance payments	93	73	90
Total	2,246	2,319	2,213

As of 31 March 2023, post-employment benefits and provisions slightly decreased by kEUR 263 to kEUR 2,213. As of 31 March 2024, they slightly increased by kEUR 106 and decreased again by kEUR 73 to kEUR 2,246 as of 31 March 2025.

10.7.27 Other Short-Term Liabilities

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Warranty provisions	160	157	184
Provisions for contingent losses	461	502	475
Total	621	658	659

Other short-term liabilities slightly decreased over the three financial years due to the decrease in warranty provisions.

10.7.28 Deferred Tax Liabilities

As of 31 March 2025, deferred tax liabilities decreased by kEUR 100 to kEUR 451, which mainly result from temporary differences between the carrying amounts in the Audited Consolidated Financial Statements and the respective tax-related carrying amounts with the effects in leasing liabilities (kEUR 1,874) and tangible fixed assets (kEUR 1,448).

10.7.29 Trade Payables

As of 31 March 2023, trade payables slightly increased by kEUR 176 to kEUR 4,437. As of 31 March 2024, trade payables increased by kEUR 662 to kEUR 5,099 due to already placed orders to increase inventories and realise sales planned for next business year. As of 31 March 2025, trade payables decreased by kEUR 175 to kEUR 4,924.

10.7.30 Tax Liabilities

Tax liabilities consist of corporate income tax and trade tax.

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Corporate income tax	1,319	519	723
Trade tax	745	41	224
Total	2,064	560	947

As of 31 March 2023, tax liabilities slightly decreased by kEUR 123 to kEUR 947. As of 31 March 2024, tax liabilities decreased by kEUR 387 to kEUR 560 due to reduced corporate income tax liabilities to tax authorities and reduced trade tax. As of 31 March 2025, tax liabilities increased by kEUR 1,504 to kEUR 2,064 due to higher corporate income tax liabilities and trade tax liabilities to tax authorities.

10.7.31 Other Liabilities

Other current liabilities are due within one year and are composed as follows:

IFRS values in kEUR	31.03.2025 audited	31.03.2024 audited	31.03.2023 audited
Liabilities for unused vacation days	1,333	1,209	949
Liabilities from flexitime credits	646	559	487
Liabilities from premiums and royalties	984	665	834
Liabilities for unscheduled payments	957	837	774
Liabilities for legal and consulting fees	208	195	185
Other obligations under social security	259	244	215
Liabilities to tax authorities	508	486	529
Other liabilities	2,173	1,961	1,872
Total	7,069	6,156	5,846

As of 31 March 2023, other liabilities increased by kEUR 1,182 to kEUR 5,846. As of 31 March 2024, other liabilities increased by kEUR 310 to kEUR 6,156 mainly due to liabilities for unused vacation days. As of 31 March 2025, other liabilities increased by kEUR 913 to kEUR 7,069 due to liabilities from premiums and royalties.

10.7.32 Analysis of the electrovac Group Financial Condition

The cash flow statements for the financial years 2024/25, 2023/24, and 2022/23, as presented in the Audited Consolidated Financial Statements for the years ending 31 March 2025, 2024, and 2023, respectively, are shown below in abridged form:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Profit for the period	5,183	1,924	3,232
Depreciation on property, plant and equipment	5,579	4,786	4,601
Gain from the sale of fixed assets	-19	-22	-1
Non-current provisions	-155	27	-291
Financial result	1,893	1,959	1,372
Tax result	2,032	531	948
Income tax paid out	-375	-803	-823
Other non-cash items	257	-268	-435
Changes in net current assets	14,395	8,134	8,603
Changes in inventories	-4,900	288	-4,039
Changes in trade receivables	-239	-1,063	1,374
Change in other receivables & prepaid expenses	-779	1,270	-592
Changes in trade payables	-175	662	-176
Changes in other liabilities	1,151	166	1,078
Changes in current provisions	-37	0	-30
Cash flow from changes in working capital	-4,979	1,322	-2,385
Cash flow from operating activities	9,416	9,456	6,218
Acquisition of intangible assets and property, plant and equipment	-4,465	-4,315	-5,856
Acquisition of financial assets	-400	-1,030	-121
Proceeds from asset sales	35	341	411
Interest received	10	27	0

Cash flow from investment activities	-4,820	-4,976	-5,565
Repayments from other non-current liabilities	-2,890	-2,425	-2,282
Recognition of financial liabilities	1,425	3,780	3,644
Repayments of lease liabilities	-1,364	-1,247	-1,028
Interest paid	-1,886	-1,908	-1,343
Dividends paid	-785	-427	0
Cash flow from financing activities	-5,500	-2,227	-1,009
Liquid funds at the beginning of the period	-3,072	-5,325	-4,969
Liquid funds at the end of the period	-3,976	-3,072	-5,325
Total changes of liquid funds	-904	2,252	-355

10.7.33 Cash Flow From Operating Activities

In the financial year 2022/23, cash flow from operating activities increased by kEUR 2,027 to kEUR 6,218, primarily driven by a higher net profit, higher depreciations and lower changes in net working capital. In the financial year 2023/24, cash flow from operating activities increased by kEUR 3,238 to kEUR 9,456, primarily driven by changes in inventories of kEUR 4,327 compared to the prior year and despite a lower net profit of kEUR 1,924 (prior year: kEUR 3,232). Also, changes in other liabilities decreased by kEUR 912. For the financial year ending 31 March 2025, cash flow from operating activities amounted to kEUR 9,416. The main factors influencing changes over the years were improvements in net profit by kEUR 3,259, changes in inventories of kEUR -5,188, and movements in trade receivables. Overall, cash flow from operating activities remained quite stable.

10.7.34 Cash Flow From Investment Activities

In the financial year 2022/23, cash flow from investment activities increased by kEUR 3,378 due to the acquisition of intangible and tangible assets of kEUR 5,856. In the financial year 2023/24, cash flow from investment activities improved by kEUR 589 to kEUR -4,976, primarily due to higher additions to intangible and tangible although financial assets of kEUR 1,030 were acquired. As of 31 March 2025, cash flow from investment activities amounted to kEUR -4,820 and was mainly driven by investments in tangible and intangible assets.

10.7.35 Cash Flow From Financing Activities

In the financial year 2022/23, cash flow from financing activities increased by kEUR 3,103 to kEUR -1,009 mainly referring to the recognition of financial liabilities of kEUR 3,644 (prior year: kEUR 435). In 2023/24, cash flow from financing activities decreased by kEUR 1,218 to kEUR -2,227, mainly due to reduced inflows from borrowed financial liabilities and dividends paid. As of 31 March 2025, cash flow from financing activities amounted to kEUR -5,500, primarily driven by lower recognition of financial liabilities (kEUR -2,355), repayments of lease liabilities (kEUR -1,364) and interest payments (kEUR -1,886).

10.7.36 Liquid Funds Available at the end of the Reporting Period

The liquid funds comprise the following positions:

IFRS values in kEUR	01.04.24 - 31.03.25 audited	01.04.23 - 31.03.24 audited	01.04.22 - 31.03.23 audited
Current bank deposits	1,588	1,202	1,278
Current bank overdraft	-5,564	-4,274	-6,603
Liquid funds	-3,976	-3,072	-5,325

10.8 HGB Annual Financial Statements of electrovac AG for the Year ending 31 March 2025

10.8.1 Basic Accounting and Valuation Principles

The Annual Financial Statements for the financial year 2024/25 were prepared in accordance with §§ 242 ff. and §§ 264 ff. of the German Commercial Code (HGB) and the relevant provisions of the German Stock Corporation Act (AktG). The regulations applicable to small-sized companies were applied.

The fundamental accounting and valuation principles applied in the preparation of the Annual Financial Statements are as follows:

- Acquired intangible assets are recognized at acquisition cost less scheduled straight-line depreciation.
- Financial assets are carried at cost including directly attributable acquisition costs.
- Receivables and other assets are stated at nominal value.
- Receivables and cash and cash equivalents in foreign currency with a remaining term of up to one year are measured at the mean spot exchange rate on the balance sheet date.
- Cash on hand and bank balances are stated at nominal value.
- Equity is recognized at nominal value.

- Provisions are measured at the settlement amount, taking into account anticipated price and cost increases.
- Liabilities are stated at the settlement amount. Liabilities in foreign currencies with a remaining term of up to one year are measured at the average spot exchange rate on the balance sheet date.

10.8.2 Analysis of the Annual Statements of Profit and Loss

The annual statements of profit and loss for the financial year 2024/25 as contained in the Annual Financial Statements for the business year ending 31 March 2025, are shown as follows:

HGB values in kEUR	31.03.2025 audited
Sales	1,344
Cost of sales	-122
General administrative costs	-1,211
Other operating income	2
Other operating expenses	0
Income from investments	1,305
Interest and similar income	66
Interest and similar expenses	-167
Income and earnings taxes	-148
Earnings after taxes	1,071
Other taxes	0
Net annual profit	1,071

10.8.3 Analysis of the Asset and Capital Structure

The annual balance sheet of electrovac AG on the asset side, as contained in the Annual Financial Statements for the business year ending 31 March 2025, is represented as follows:

HGB values in kEUR	31.03.2025 audited
Intangible assets	2,331
Financial assets	29,735
Non-current assets	32,066
Receivables and other current assets	2,658
Cash and cash equivalents	84
Current assets	2,741
Prepaid costs	19
Total	34,826

As of 31 March 2025, intangible assets of kEUR 2,331 comprise software licenses, patents, and trademark rights.

As of 31 March 2025, financial assets consist of the 100% equity interests in electrovac germany GmbH in the amount of kEUR 15,499, in electrovac components in the amount of kEUR 7,060, in electrovac austria GmbH in the amount of kEUR 5,490, in Electrovac Japan in the amount of kEUR 336, and in Electrovac France S.A.R.L. in the amount of kEUR 39. Loans to shareholders are included in the amount of kEUR 1,311.

Receivables and other current assets of kEUR 2,658 comprise receivables from affiliated companies.

Cash and cash equivalents amount to kEUR 84 as of the reporting date.

The equity and liabilities side of electrovac AG's annual balance sheet, as presented in the Annual Financial Statements for the business year ending 31 March 2025, is shown below:

HGB values in kEUR	31.03.2025 audited
Subscribed capital	500
Capital reserve	29,141
Profit/loss carried forward	1,281
Net annual profit	1,071
Equity	31,992
Provisions and accruals	398
Provisions and accruals	398
Liabilities	2,436
Liabilities	2,436
Total	34,826

Provisions and accruals increased to kEUR 398 as of 31 March 2025 and included mainly bonus payments, expenses for year closing audit and corporate income tax.

Liabilities include a bank loan in amount of kEUR 1,000, a loan from electrovac germany GmbH in the amount of kEUR 1,399 and open liabilities to third parties, fiscal and social authorities in amount of kEUR 37.

11. BUSINESS OVERVIEW

11.1 Introduction

The electrovac Group, headquartered in Salzweg, Germany, is a medium-sized, globally active company with more than 75 years of experience in the design and manufacturing of hermetic glass-to-metal sealed components. Its core capabilities include glass-to-metal sealing technology, stamped, formed and machined metal parts, glass preform production and electroplating. Serving more than 250 customers worldwide, the electrovac Group supplies customized solutions ranging from small-batch niche products to high-volume series production.

Its products are used across a wide range of applications in the fields of electronics, sensors and actuators, including Personal Safety systems such as airbags and seatbelt components, as well as in the Aerospace and Defense and various other industrial business areas, including mobility, telecommunications and medical markets as described in Other Mobility and Industry.

The electrovac Group operates four production sites in Germany, Austria and Thailand and maintains additional sales offices in France, Japan and the United States. Overall, the company employs 550 FTEs, as of January 2026. Its net sales of mEUR 98.2 (last financial year 2024/25) are primarily generated in Europe (approximately 60%), followed by Asia (25%) and the United States (15%).

The Salzweg headquarters in southern Germany hosts the electrovac Group's mass-production site, employing approximately 250 FTEs. Here, hermetic packages are primarily manufactured for Personal Safety applications, sensors and other specialized products. A second facility in Salzweg functions mainly as an internal supplier of pre-fabricated components (85 FTEs). The Thailand production site, employing 56 FTEs, focuses exclusively on airbag igniter headers for the Asian market. The Austrian site in Klosterneuburg, with around 152 FTEs, serves a dual role: it operates as a small-series production facility for various hermetic packages and develops and manufactures components for the mass-production site in Salzweg, the Thailand site and its own small-series operations.

The electrovac Group produces almost exclusively customer-specific products, with basic package designs typically provided by the customer. Early involvement in customer projects allows designs to be optimized for production capabilities, improving cost efficiency and ensuring process reliability. Sales and project management are handled by the technical field sales team, key account managers and development departments. Long-standing personal relationships and mutual trust with customers are important factors in order acquisition. Typical lead times for new projects range from six months to two years, including milestones such as initial sample production, PPAP sample approval and production ramp-up with appropriate quality assurance.

Due to its high vertical integration and extensive technological expertise, the electrovac Group is able to achieve short lead times for sample delivery. Suppliers are also engaged early in the development process, providing metal strips, wires and rods, graphite materials, glasses, turned and milled components, precious metal alloys and potassium gold cyanide ("gold salt") used in electroplating.

11.1.1 History and Milestones

The electrovac Group has a long-standing tradition of innovation and growth in the field of precision components. It dates back to 1947 when Werner von Hacht and Dr. Hans Huber founded a company in Vienna, initially producing radios and mercury switches. Just a few years later, in 1953, the electrovac Group manufactured its first glass-to-metal feedthrough, laying the foundation for its core technological expertise.

In 1961, a new production site was established in Salzweg, Germany, followed by the launch of temperature rot limiter and click-therm production in Vienna in 1969. The expansion continued with the opening of a production site in Klosterneuburg, Austria, in 1985.

During the early 1990s, the electrovac Group relocated its entire production from Vienna to Klosterneuburg and Salzweg and achieved its first DIN ISO 9002 certification at the Salzweg site in 1993. The electrovac Group reached new technological milestones in 1997, producing its first glass feedthroughs for flex-fuel sensors, and by the late 1990s, the electrovac Group was manufacturing hermetic enclosures for automatic transmission controls and airbag igniter headers.

The Salzweg site achieved ISO TS 16949 and ISO 14001 certification in 2007, followed by the first DIN ISO 9001 certification at the Klosterneuburg site in 2008. In 2010, the electrovac Group was acquired by BC-Tech Holding AG, marking a new phase of strategic development.

Further expansion included the development of the Salzweg site in 2013, the opening of a new site in Thailand in 2015 and the formation of the electrovac Group in its present shape in 2018, integrating long-term business partner and supplier electrovac components GmbH & Co. KG.

In 2025, a second production line was implemented in Thailand to meet growing regional demand.

The same year, the electrovac Group unified its corporate identity as part of its strategic positioning and introduced new legal names for its operating subsidiaries in Germany and Austria:

- Electrovac Hacht und Huber GmbH has been renamed into electrovac germany GmbH,
- Beutlhauser GmbH & Co. KG has been renamed into electrovac components GmbH & Co. KG, and
- Electrovac Metall-Glaseinschmelzungs GmbH has been renamed into electrovac austria GmbH.

electrovac AG plans an initial public offering in Q2 2026 to support further growth opportunities.

11.1.2 Business Areas and End-Markets

The electrovac Group serves three business areas, with a dedicated strategic focus and a comprehensive sales approach on the first two fields:

- Personal Safety, primarily focused on airbag and seatbelt applications,
- Aerospace and Defense, and
- Other Mobility and Industry, serving customers in the automotive, industrial, telecommunications and medical industry.

11.1.2.1 Personal Safety

The electrovac Group's core business area – Personal Safety – focuses on developing customized hermetic packages used to encapsulate explosive materials. These essential, safety-critical and regulatory-mandated components are primarily deployed in airbag systems, seatbelt pretensioners and other automotive safety applications. In financial year 2024/25, the Personal Safety area accounted for ca. 43% of total sales (CAGR of 11% FY 22/23 to FY 24/25).

The Personal Safety business area comprises two main product groups: airbag igniter headers and contact pins. The glass-to-metal seals used in airbag igniter headers protect the initiator charge and ensure reliable performance even under demanding thermal and mechanical conditions. The second product group, high-precision contact pins, complements this portfolio and is used in a wide range of applications, including airbag applications.

Rising global awareness of vehicle safety, together with increasingly stringent regulatory requirements, is expected to support sustainable growth in demand for airbags and associated

solutions. Large markets such as China and India remain comparatively undersupplied, offering additional structural growth potential.

11.1.2.2 Aerospace and Defense

Products for Aerospace and Defense applications represent the second strategic business area, currently accounting for around 20% of total sales and supported by a diversified base of roughly 30 customers. Market demand in this field continues to rise, driven by geopolitical developments, NATO rearmament initiatives and substantial global government spending on military equipment as well as an increasing use of satellite technology in civil communications.

The electrovac Group's glass-to-metal seals are used in civil and military aviation, satellite programs, anti-missile systems and selected types of ammunition. These components protect sensors and microelectronic assemblies against harsh environments, such as extreme temperature variations, moisture, contamination, high pressure and vibration. The electrovac Group also supplies specialized hybrid hermetic packages required in satellite technology and defense applications, where data transmission is routed directly through the housing.

The Aerospace and Defense area is characterized by structurally rising demand and above-average margins. Order volumes have been increasing significantly, while current production capacity does not yet fully meet the level of market demand. As a result, the area offers substantial long-term growth potential, with high demand expected to support revenue and earnings development for years to come. In the financial year 2024/25, the Aerospace & Defense area accounted for ca. 20% of total sales (CAGR of 20% FY 22/23 to FY 24/25).

11.1.2.3 Other Mobility and Industry

The Other Mobility and Industry business area covers applications in the automotive sector as well as various industrial markets. In the automotive field, the main products are transmission control modules and sensor packages. In other industries, key products include sealed packages and sockets for pressure sensor applications used in the chemical industry, hydraulics, manufacturing processes, automation, booster pumps and air-conditioning systems. The electrovac Group's products also protect level, fluid and temperature sensors, as well as battery covers for lithium thionyl chloride batteries.

The electrovac Group also manufactures hermetic packages for medical applications and niche markets such as LED lamps for dental instruments. Transistor headers serve as housings for fiber-optic receiver and transmitter sub-assemblies in telecommunications, while other hybrid and special packages protect electronic circuits and components in receiver and transmitter modules. Overall, the Other Mobility & Industry business accounted for approximately 37% of sales in financial year 2024/25 (CAGR of -1% FY 22/23 to FY 24/25) including all revenues that cannot be clearly allocated to one of the two strategic areas.

11.2 Most important Markets and Market Factors

11.2.1 Global Economic Environment

According to the German Institute for Economic Research (DIW Berlin; September 2025), global economic growth is projected at 3.7% for 2025 and 3.3% for 2026. Continued momentum in

emerging markets, expansionary fiscal policies and stable private consumption are expected to remain key drivers of global economic activity.²

In Europe, growth dynamics have improved moderately despite ongoing global policy uncertainty and geopolitical tensions. The European Commission's Fall 2025 Economic Forecast projects GDP growth of 1.4% for the EU and 1.3% for the euro area in 2025, and 1.4% and 1.2%, respectively, in 2026. According to the DIW's September 2025 outlook, Germany's GDP growth is expected to reach 0.2% in 2025 and 1.6% in 2026, following several years of economic stagnation.³

Despite potential downside risks such as persistent industrial headwinds and global trade restrictions, the DIW assesses the European and German economies as fundamentally resilient, supported by fiscal stimulus measures and anticipated structural reforms expected to take effect from 2026 onward.⁴

IMF projections (October 2025) indicate that GDP growth in the Asia–Pacific region will reach around 4.5% in 2025 and 4.1% in 2026.⁵ The outlook is supported by resilient domestic demand, sustained investment in manufacturing and technology and further integration of regional supply chains. Downside risks remain present, including persistent trade tensions and potential weakening in demand from foreign advanced economies.⁶

Similarly, OECD assessments (September 2025) point to US GDP growth of approximately 1.8% in 2025 and 1.5% in 2026. The reduced growth estimation for 2025 reflects the impact of trade barriers, tighter fiscal conditions and declining net immigration; these headwinds only partly offset relatively solid private-consumption and productivity dynamics. Overall, the macroeconomic environment remains shaped by policy uncertainty and geopolitical developments, which continue to weigh on business sentiment and restrain investment.⁷

11.2.2 Global Hermetic Packaging Market

The hermetic packaging market involves the production and sale of airtight, sealed packaging for sensitive components. Hermetic packaging thus plays an important role in ensuring the reliability and longevity of electronic devices. It prevents corrosion and electrical shorts, along with other types of damage that can result in the failure of electronic devices by preventing the entry of moisture and other impurities in them. The hermetic packaging market can be clustered by technology (i.e., ceramic housings, ceramic to metal sealing, glass to metal sealing, transponder glass), where glass-to-metal-seals are always used when the electronics, the ignition powder or other components must be permanently isolated from the surrounding ambient environment without loss of performance.

A 2024 study by Grand View Research estimates the global market for hermetic packaging at around 4.0 bnUSD. By 2030, the market is expected to reach roughly 5.9 bnUSD, reflecting an average annual growth rate of 6.9%. Several long-term trends are supporting this development. Demand is rising for sensitive components that must deliver secure, reliable performance over their entire service life. Heightened safety awareness and increasingly stringent regulatory

² DIW, German Economy Outlook

³ European Commission, Economic Forecast

⁴ DIW, German Economy Outlook

⁵ IMF, Economic Outlook Asia and Pacific

⁶ World Bank, Economic Update East Asia and Pacific

⁷ OECD, Economic Outlook

requirements are also contributing to market growth. Continued miniaturization of electronics and broader use of electronic components in specialized applications are creating further momentum.⁸

11.2.3 Personal Safety

Based on Grand View Research (2024), the global market for passenger car airbags and seatbelt systems is expected to grow at a CAGR of 9.9%, from 51.8 bnUSD in 2024 to 90.0 bnUSD in 2030. Within this business area, the electrovac Group supplies safety-critical airbag igniter components and currently holds an estimated 27% market share.⁹ Future growth is expected to be driven by increasing regulatory safety requirements, greater consumer awareness and rising demand from emerging markets in Asia, where vehicle safety systems remain underrepresented compared to industrialized economies.¹⁰

Global passenger-car production reached approximately 79 million units in 2024 and is projected to grow by 2-3% annually worldwide until 2030, based on expert and management estimates.¹¹ Key growth drivers include the increasing adoption of electric vehicles, rising consumer demand in emerging markets and ongoing advancements in manufacturing efficiency and technology.

Worldwide production of automotive airbags exceeded 560 million units in 2023, reflecting the steady expansion of safety systems across modern vehicles.¹² In most Western markets, passenger cars are now typically equipped with six to eight airbags, driven by stricter safety regulations and increasing focus on comprehensive occupant protection. In many other regions, however, vehicles still feature fewer airbags, highlighting significant growth potential for glass-to-metal sealed products. Furthermore, the rising adoption of electric vehicles presents additional opportunities for airbags and other safety-related applications, supporting further market expansion. For example, the use of pyro-fuse technology is emerging as a new application area, becoming increasingly important for ensuring the safety of electric vehicles in emergency situations. Combined with the ongoing growth of the global passenger-car fleet, fueled by rising incomes and increasing vehicle ownership, these factors are expected to sustain strong momentum in airbag demand worldwide.¹³

11.2.4 Aerospace and Defense

The Aerospace and Defense business area represents the second strategic growth area for the electrovac Group. Demand for high-reliability, hermetically sealed components used in ignition systems, sensors, and hybrid packages continues to rise, driven by increased defense spending of governments globally and the ongoing modernization of aerospace technologies.

The global aerospace and defense industry is expected to grow at a CAGR of 7.2%, increasing from 1.0 tnUSD in 2024 to approximately 1.6 tnUSD by 2030. Continued investment in defense modernization, together with the rapid expansion of satellite and space infrastructure, is anticipated to support sustained market growth over the medium term.¹⁴

⁸ Grand View Research, Global Hermetic Packaging Market

⁹ Management estimates; 27% market share refers to the relevant GTMS-technology market as a sub-market of the overall global market for passenger car airbags and seatbelt systems.

¹⁰ Grand View Research, Airbag and Seatbelt Market

¹¹ VDA, Domestic Car Production

¹² Market Growth Reports, Airbag Market Overview

¹³ Straitresearch, Airbag Market Size and Outlook

¹⁴ Maximize Market Research, Aerospace, Space and Defense Industry Report

11.3 Competitive Position and Market Structure

The electrovac Group considers itself one of the top suppliers of hermetically sealed glass-to-metal components globally, producing and delivering approximately 350 million housings annually to its customers.

The electrovac Group assesses the competitive landscape across three levels:

11.3.1 Personal Safety Market

With its Personal Safety products, the electrovac Group is well-positioned within an oligopolistic market, with only three relevant players capable of producing glass-to-metal seal products profitably and with very high reliability at scale. At the same time, there is only a small number of global customers, reinforcing the concentrated and stable nature of this industry.

The electrovac Group holds a global market share of approximately 27% – according to internal management estimations –, following the global market leader SCHOTT, also headquartered in Germany. The third player, Shinko, is relevant only regionally in East Asia.

Ultimately, only three key competitors worldwide have the necessary certifications, production capacities and structures to deliver glass-to-metal seals products at high volumes and competitive prices.

11.3.2 Multi-Industry Players (Glass-to-Metal Seals as a Part of the Overall Business)

The second level of competitors consists of multi-industry players where glass-to-metal seals components represent only a portion of their overall product portfolio. Examples include Ametek, Martec (part of Amphenol), Sensience and Winchester. In this business area, differentiation is achieved through product portfolio breadth and quality. Differences in technical competence and product quality significantly influence the impact on respective end-markets.

11.3.3 Niche Market Players (Specialized Glass-to-Metal Seals Products)

The third competitive level comprises small, highly specialized players focused on selected end-markets within the glass-to-metal seals universe. Competitors in this category include IL Metronic, Egide, Sintermetalglass, BC Tech and Qnnect. This cluster is highly fragmented, with most players concentrating on a limited range of products. Only a limited number of competitors possess the expertise to produce multiple product types and most cannot offer competitive pricing compared to large-scale manufacturers due to the lack of high-volume production capabilities.

The electrovac Group benefits from a strong competitive position driven by its market share in Personal Safety applications, high technological expertise, long-standing customer relationships, extensive certifications and vertically integrated production capabilities. The electrovac Group believes that these strategic, structural, technological and resource-related factors make market entry more challenging for potential competitors, particularly in the Personal Safety area.

11.3.4 Entry Barriers

The entry barriers to the global market for hermetically sealed glass-to-metal components are robust and multifaceted:

- Strategic barriers: Strong customer relationships and long-term co-development reduce customer churn and make market entry difficult. Proprietary engineering and multi-year development create additional barriers.
- Structural barriers: Economies of scale and local production and sales are essential for cost efficiency and research and development support.
- Technological barriers: High quality standards and certifications limit the number of capable manufacturers for safety-critical glass-to-metal seals products. Additionally, glass-to-metal technology has numerous advantages over plastic connections due to precision and robustness.
- Resource dependency barriers: Proximity to suppliers ensures supply security, production efficiency and timely delivery.

11.4 Competitive Strengths

Customers in the hermetic packaging sector rely heavily on established suppliers like the electrovac Group, creating stable dependencies that further strengthen its competitive opportunities. Besides its unique market position, the electrovac Group considers its competitive strengths as follows:

11.4.1 Comprehensive Technology and Production Capabilities

The electrovac Group offers a broad technology portfolio, enabling it to cover nearly all customer requirements. The ability to combine scalable high-volume production with flexible development sets it apart from smaller competitors, who lack both scale and deep in-house engineering expertise. At the same time, the electrovac Group integrates competencies that larger competitors typically separate, providing complementary boutique-style development and scalable production capabilities within a single organization. This distinctive setup allows it to efficiently manage complex development projects while offering tailored solutions across a wide range of applications for competitive prices.

11.4.2 High Vertical Integration of Production

A high level of vertical integration sets the electrovac Group apart, as it covers all essential components of hermetic packages – including baseplates, contact pins, tooling, glass beads, and surface finishing – within its own operations. This comprehensive approach is strengthened by deep expertise in a wide range of manufacturing processes. By collaborating closely with customers on joint development projects for new products, the electrovac Group fosters strong customer relationships and ensures proximity to market needs.

11.4.3 Production Footprint

The electrovac Group operates a global production footprint with manufacturing sites in Europe and a major site in Thailand. The presence in Southeast Asia provides structural cost advantages and supports the company's position in the Asian market. The electrovac Group is able to combine small-series, highly customized production with high-volume manufacturing at consistently high-quality standards. The current annual production level is around 350 million units, with further expansion potential already in place, including the completed second production line in Thailand. The geographically diversified setup enhances operational resilience, mitigates

regional supply risks and allows the electrovac Group to benefit from cost differences across production locations.

11.4.4 Innovation, Engineering and Product Quality Expertise

The electrovac Group's product portfolio is characterized by high-quality performance, supported by proprietary production technology and design-to-manufacture approaches. This is reinforced by its operations in the Personal Safety industry, an extremely demanding market in terms of product quality. Regional production sites and close proximity to customers enable the electrovac Group to gain deep insights into customer applications, fostering effective collaboration during development projects and enhancing innovation. The electrovac Group's technological expertise is further supported by its research, development, engineering and design teams. Proprietary production automation, partly designed and developed internally, ensures consistent quality, protects production know-how, and increases efficiency in serving customers worldwide. The electrovac Group believes that this combination of technological know-how, customer proximity, and application insight will continue to drive high-quality product development and long-term cost efficiencies.

11.4.5 Long-Standing Customer Relationships

Since new orders are typically secured through joint development projects with customers, the electrovac Group believes that long-term, strong customer relationships are a key success factor in the glass-to-metal sealing business. Many of the electrovac Group's leading customers have been provided with products for many years, often decades, and recent growth has been driven not only by new customer acquisition but primarily through expansion with existing customers, particularly in Asia. The electrovac Group considers persistently high quality and reliability to be critical success factors.

11.4.6 Market Entry Barriers

Intellectual property protection contributes to the electrovac Group's competitive positioning. The electrovac Group safeguards its know-how through a high degree of vertical integration, with many key components produced in-house, and by requiring all suppliers to maintain confidentiality. The electrovac Group's products and production processes undergo an extensive qualification process at customer sites, which, together with established production capacities, strong customer relationships, and proprietary manufacturing know-how, represent a significant barrier to market entry for competitors. In addition, certifications are required for the production of highly critical glass-to-metal sealed products further protect against new market entrants. The Austrian site of the electrovac Group, for example, is among the few players certified to provide critical equipment to the aviation industry (EN9100 and Nadcap).

11.4.7 Experienced Management Team

The electrovac Group believes it has a strong and highly experienced management team with extensive expertise in the development, manufacturing and marketing of hermetic packages and glass-to-metal sealed solutions. The chief executive officer has been with the electrovac Group for over 30 years and is supported by an extended team with deep industry experience in electronic packaging. The management team also brings significant market know-how and insights that further enhance the electrovac Group's strategic capabilities.

11.5 Corporate Strategy

The electrovac Group's corporate strategy is focused on sustainable growth, technological leadership and global market expansion across its core business areas Personal Safety and Aerospace and Defense. According to its own market perception, the electrovac Group is already ranking among the top three global suppliers for high-volume special applications in hermetic packaging. It aims to further strengthen and expand its market position with the goal of becoming the clear number two supplier in this field within the next 5 years. The Company seeks to achieve this by leveraging advanced production capabilities, continuous innovation and targeted investments. Proceeds from the IPO are expected to support these objectives, primarily by funding the expansion of production capacities and selectively pursuing strategic acquisitions and partnerships.

11.5.1 Growth in the Personal Safety Business

In the area of Personal Safety, the electrovac Group pursues a disciplined and systematic expansion of its activities, focusing on the development and production of safety-critical components. It continuously enhances its market position through portfolio development, the expansion of production capacities – particularly in Asia – and strategic entry into additional regional markets. Markets such as China and India, for example, remain undersupplied in terms of safety-critical features per vehicle, representing significant growth opportunities.

The electrovac Group's technology is largely independent of vehicle powertrain technology, allowing it to serve both internal combustion and electric vehicles, therefore ensuring broad applicability. In addition, ongoing development work creates opportunities for new airbag applications in passenger cars, supporting long-term growth potential. As the industry continues its gradual shift toward electric vehicles, new areas of application are emerging as well, for example the increasing relevance of pyro-fuse technology to enhance safety in critical situations.

The overall expansion strategy is reinforced by customer policies that aim to source roughly equal volumes from the two leading suppliers, providing a stable framework for achieving a strong and balanced market presence.

Ultimately, the electrovac Group expects revenue growth in the Personal Safety business to outpace overall market developments in the coming years. The electrovac Group is pursuing a market share of at least 40% (currently 27%), which would allow to secure a balanced position within the oligopolistic market environment. Growth is expected to be driven predominantly by rising demand in the Asian region, particularly in China.

11.5.2 Enhancing the Aerospace and Defense Business

In the Aerospace and Defense business area, the electrovac Group targets selective growth in safety-critical, high-technology applications, primarily with existing customers, as demand continues to rise. The strategy focuses on the development and supply of specialized hermetic packages and sensor systems for military, aviation and satellite applications. This growth is supported in particular by sustainably higher global defense and space expenditures. High-value, mission-critical GTMS solutions for satellites, radar and avionics open up strong potential with attractive margins.

As one of the very few EN9100-certified and Nadcap accredited suppliers, the electrovac Group is well positioned to benefit from Europe's defense spending upcycle. In addition, focus is on strong growth potential in the US as the world's largest spender in Aerospace and Defense. To further improve revenues in the United States, shifting from an export model to a local content production is a precondition.

In this high-margin field, maintaining technological excellence and meeting the strictest quality requirements remain essential to strengthening the electrovac Group's market position and profitability.

11.5.3 Operational Excellence and Innovation as Key Enablers

The long-term competitiveness of the electrovac Group is anchored in a targeted strengthening of operational excellence, efficiency and innovation as core elements of its growth strategy. Automation initiatives and capacity expansions are designed to increase process reliability and ensure the scalability required to meet rising global demand. In the Personal Safety segment, for example, igniter production lines are fully or partially automated to enhance throughput, precision and cost efficiency. The systematic assessment and integration of artificial intelligence across operations forms another strategic lever; AI is already used in defect analysis and optical inspection, and its application is being progressively extended to further stages of the value chain. Continuous research and development activities support the advancement of key technologies and the development of future market solutions. Structured quality management and a zero-defect philosophy underpin compliance with international standards and strengthen the electrovac Group's position as a reliable partner in high-tech industries.

11.5.4 IPO Proceeds to Support Strategic Objectives

The electrovac Group intends to use a majority of its net proceeds from the Offering to expand its airbag igniter header business by increasing production capacity in Thailand, including a 5.0 – 7.5 mEUR investment to increase the production area at the existing site. Initial steps toward setting up a third production line have already been taken, and access to premises for a fourth line has been secured.

Following the blueprint of the Thailand site, the electrovac Group further aims to capture local content demand in China. With globally active airbag manufacturers opening local production sites, the electrovac Group plans to strengthen its presence in China through a 5.0 – 7.5 mEUR investment aimed at moving closer to customers ("local-for-local"). At the beginning, initiating local production of igniter headers thereby will be focused on end-production and inspection.

In addition, the electrovac Group aims to increase its market share and expand its business in the Aerospace and Defense business. To benefit from Europe's defense spending upcycle, capacities must be expanded, processes set up and special tools built in coordination with the requirements of existing customers. A second focus is on the transfer and application of the electrovac Group's highly efficient production technology to local US manufacturing, primarily by securing local access to licenses, facilities and production capabilities. This may be achieved through a strategic partnership or, if appropriate, the selective acquisition of a local company in the electronic packaging sector. For these purposes, at least 10.0 – 15.0 mEUR of the capital increase is allocated.

11.6 Main Activities

11.6.1 Products

The electrovac Group's product offering spans several highly specialized application fields. In Personal Safety, it supplies critical components such as airbag igniter headers and contact pins to customers. Its Aerospace and Defense portfolio includes robust igniter packages, special and hybrid housings designed for extreme operating environments, transistor headers, sensor sockets and other products. The portfolio is complemented, e.g. by battery covers, for customers within the Other Mobility and Industry business. Notably, some products are used across both the Aerospace and Defense field and the Other Mobility and Industry business.

Area	Products
Personal Safety	• Airbag Igniter Headers • Contact Pins
Aerospace and Defense	• Igniter Packages • Special and Hybrid Packages • Other Products • Transistor Headers • Sensor Sockets
Other Mobility and Industry	• Transistor Headers • Sensor Sockets • Packages for Electronic Control Units • Battery Covers

11.6.1.1 Airbag Igniter Headers (primarily used in Personal Safety)

Airbag igniter headers and seatbelt pretensioner systems are among the most critical products in the Personal Safety field. In the event of a collision, crash sensors transmit an electrical impulse to the igniter, triggering the gas generators. The gas generators rapidly inflate the airbags, while the retractor mechanisms simultaneously activate the seatbelt pretensioners. The electrovac Group's hermetic glass-to-metal seals ensure that the initiator charge remains protected from humidity and other harsh environmental conditions. The contact pins within the sockets are selectively gold-plated to guarantee reliable and high-quality electrical contact.



Image: sockets for airbag igniter headers

11.6.1.2 Contact Pins (primarily used in Personal Safety)

The product range spans from standard transistor socket pins to complex, customer-specific pins designed for a wide variety of applications. Depending on the intended use, the pins meet diverse requirements, including bondability and compatibility with plug, solder, or other connection types. Contact pins are supplied either with a bare surface or selectively nickel- or gold-plated, in accordance with customer specifications.



Image: contact pins

11.6.1.3 Igniter Packages (primarily used in Aerospace and Defense)

Glass-to-metal seals are also employed in igniters for industrial and defense products. Specialized materials and proprietary manufacturing processes are used in this niche market to protect ignition wires and detonating agents from humidity, temperature fluctuations, and high pressure. By creating a lapped glass-to-metal surface, the electrovac Group achieves both extremely precise flatness and controlled surface roughness. The electrovac Group's igniter packages can withstand pressures of up to 3,000 bar and temperatures of up to 230 °C. These products are used in applications such as ejection seats, fireworks ignition systems, emergency parachute deployment devices, various military ignition systems and cable-cutting mechanisms.

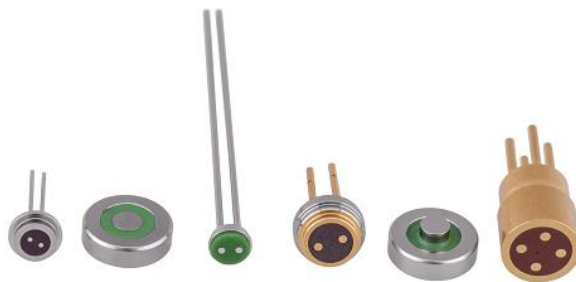


Image: igniters for industrial products

11.6.1.4 Special and Hybrid Packages (primarily used in Aerospace and Defense)

The electrovac Group develops and manufactures hermetically sealed special and hybrid packages for customers worldwide. These glass-to-metal seals are engineered to meet specific customer requirements and provide long-lasting protection for sensitive electronics without

compromising performance. They are employed across a wide range of industries, including satellites, optoelectronics, microwave and laser technology, power electronics, telecommunications, and medical technology as well as the Aerospace and Defense area. The electrovac Group's portfolio of special and hybrid packages spans from small quantities for niche applications to high-volume series production, demonstrating its capability to serve both specialized and large-scale industrial needs.

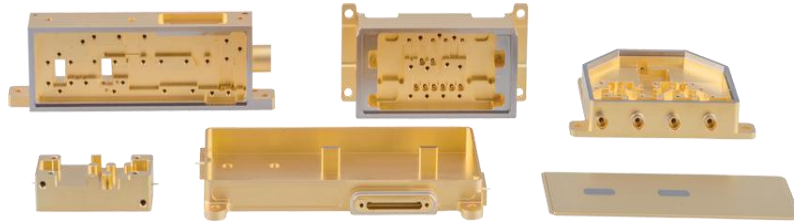


Image: special package

11.6.1.5 Other Products (primarily used in Aerospace and Defense)

In addition to the products described above, the electrovac Group also develops and manufactures a wide range of additional glass feedthrough variants, including hermetically sealed sight glasses, 50 ohm feedthroughs for high-frequency applications, single- and multi-pin feedthroughs, compressor feedthroughs, and hermetic relay housings. In addition, the electrovac Group produces precision metal components for external customers, leveraging its in-house expertise in machining and stamping technologies.



Image: various assemblies

11.6.1.6 Transistor Headers (primarily used in Aerospace and Defense + Other Mobility and Industry)

The electrovac Group has been producing transistor headers for over 50 years, accumulating extensive expertise in this specialized field. Standard-dimension transistor packages or headers were originally developed as mass-produced components to optimize manufacturing efficiency and minimize costs. At the same time, the electrovac Group is capable of producing both small quantities and large volumes through highly automated production processes. The baseplates or caps are manufactured in-house at the electrovac Group's stamping site using stamping or deep-drawing technologies. Depending on customer specifications and subsequent processing requirements, transistor headers are selectively nickel- or gold-plated and developed in accordance with individual design variations, ensuring tailored solutions for a wide range of applications.



Image: transistor header

11.6.1.7 Sensor Sockets (primarily used in Aerospace and Defense)

The electrovac Group manufactures a broad spectrum of glass-to-metal feedthroughs for various types of sensors, including pressure, temperature, flow, humidity, and level sensors. These products provide durable protection for high-precision sensors against aggressive substances, high pressures, significant temperature fluctuations, and humidity. The materials used, such as stainless steels or titanium, are hermetically sealed with specialized glasses. In addition to glass-to-metal sealing and surface finishes, including nickel and gold plating, the development and in-house production of both the glasses and the metal components – whether machined or stamped – constitute core competencies of the electrovac Group. The glass feedthroughs support precise sensor applications withstanding pressures of up to 3,000 bar and temperature ranges from - 65 °C to 300 °C. The electrovac Group continuously develops new design variants to meet the most demanding application requirements. It produces complex, specialized sensor packages, ranging from small series for the aerospace area to fully automated high-volume production for automotive (non-Personal Safety) applications.



Image: sensor sockets

11.6.1.8 Packages for Electronic Control Units (primarily used in Other Mobility and Industry)

Glass-to-metal sealed packages are designed to protect electronic control units from harsh environmental conditions, including high temperatures, exposure to fluids and gases, and

humidity. One of the electrovac Group's key products is the hermetic package for control units in automated transmission systems. In this application, the control unit is directly immersed in the gearbox oil, and the package safeguards the electronics from the surrounding oil while ensuring effective cooling of the internal circuits and components.



Image: package for electronic control units

11.6.1.9 Battery Covers (primarily used in Other Mobility and Industry)

The electrovac Group's glass-to-metal seals have been employed in lithium thionyl chloride and thermal batteries for over 35 years. The electrovac Group has developed specialized high-quality glass materials to withstand the aggressive conditions associated with these applications. As a result, the batteries achieve a low discharge rate and can operate across a wide temperature range, from -65 °C to 150 °C. Thanks to their high quality, the battery covers can reach lifetimes of up to 25 years. Production is carried out both in mass quantities and in smaller volumes for specialized projects, such as thermal batteries, serving applications in the automotive, defense and industrial areas.



Image: battery cover

11.6.1.10 Sales and Distribution

The electrovac Group's products are primarily marketed through its own field sales organization and key account managers. The company operates three dedicated sales offices:

- Japan – Electrovac Japan K.K., Osaka, Japan,
- France – Electrovac France SAS, Paris, France, and
- United States – Electrovac USA Inc., New York, USA.

These sales offices serve as regional hubs to ensure close customer proximity and effective market coverage. The entities are purely sales-focused and not involved in production activities, although products can be temporarily stored at these locations to enable flexible and timely deliveries.

In selected countries, the electrovac Group also cooperates with external sales representatives to ensure optimal market access and local expertise. Products are generally delivered directly to customers, either through third-party logistics providers or by providing goods cleared for export at a designated location – typically at the electrovac Group's own production sites – for collection by the customer's appointed carrier.

The electrovac Group employs 19 FTEs in sales as of September 2025. To support its growth plans, the electrovac Group intends to further expand its sales organization, particularly in the United States, while selectively and gradually strengthening its presence in Europe.

In financial year 2024/25, the electrovac Group's top 5 customers by net sales were (not in order):

- (1) Autoliv,
- (2) Astotec,
- (3) Bosch
- (4) Kayaku Safety Systems,
- (5) Shaanxi Qinghua Vehicle Safety.

11.6.2 Production

The electrovac Group operates four production sites:

- (1) electrovac germany GmbH in Salzweg, Germany,
- (2) electrovac components GmbH & Co. KG in Salzweg, Germany,
- (3) electrovac austria GmbH in Klosterneuburg, Austria and
- (4) electrovac Thailand Co., Ltd. in Rayong, Thailand.

The electrovac Group produced a total amount of approximately 350 million units with 436 FTEs in production worldwide (as of 30 September 2025). All production sites operate in compliance with DIN ISO 9001:2015, the international standard for quality management systems.

At its electrovac germany GmbH production site in Salzweg, Germany, the electrovac Group primarily manufactures products for applications in the Personal Safety area (so-called commodity products). Electrovac germany GmbH employs approximately 200 FTEs in production as of 30 September 2025, under a two- to three-shift system. The majority of the products from electrovac germany GmbH are sold externally, while mainly nickel-plated pins are supplied internally to Electrovac Thailand Co., Ltd. production site (approximately 10% is intercompany business). Further capacity expansion at electrovac germany GmbH is constrained by local regulations. The site is certified according to IATF 16949:2016 (quality management for the automotive industry) and DIN ISO 14001:2015 (environmental management systems).

At its second German production site, electrovac components GmbH & Co. KG, which is located in close proximity to the electrovac germany GmbH plant, the electrovac Group manufactures contact pins and other formed and machined components for both internal and external customers. With approximately 50% of its output supplied internally, electrovac components GmbH & Co. KG serves as a key supplier of pre-fabricated parts and products within the electrovac Group's vertical integration strategy. Products are primarily delivered to electrovac germany GmbH and electrovac austria GmbH sites. As of 30 September 2025, electrovac components GmbH & Co. KG employed 67 FTEs in production.

The Austrian production site, electrovac austria GmbH, focuses on small-volume products for Aerospace and Defense applications as well as a wide range of sensor packages and other specialized products for niche applications in industrial markets (so-called speciality products). Electrovac austria GmbH supplies intermediate products to electrovac germany GmbH, electrovac components GmbH & Co. KG and Electrovac Thailand Co., Ltd. production sites (intercompany share of 30%). As of 30 September 2025, electrovac austria GmbH employed 126 FTEs in production. The site is certified according to EN 9100:2018 (quality management systems) and received the Nadcap certificate recently, an accreditation for Aerospace and Defense supply chains.

At the production site in Thailand (Electrovac Thailand Co.), the electrovac Group produces exclusively airbag igniter sockets for the Asian market (0% intercompany share). As of 30 September 2025, Electrovac Thailand Co. employed 43 FTEs in production. The production site receives pre-fabricated components from electrovac germany GmbH and electrovac austria GmbH and completes the final production stages locally. In response to rising demand in Asia, the electrovac Group expanded its Thailand site with a second manufacturing line in March 2025, increasing annual output by additional 60 million units (currently running at full capacity). The production site is leased, allowing the electrovac Group to further scale production as market requirements evolve. A third production line in close proximity to the existing Thailand site is in fact being considered to further strengthen the electrovac Group's ability to meet rising regional demand. The site is certified according IATF 16949:2016 (management system).

Currently, the electrovac Group operates in North America through a dedicated sales office. To strengthen its regional presence, the electrovac Group intends to evaluate potential acquisition opportunities or strategic partnerships in the electronic packaging sector, including entities with existing production capabilities. The electrovac Group intends to utilize part of the IPO proceeds to support such expansion initiatives in the US market.

11.6.3 Procurement

The electrovac Group procures a broad range of raw materials and components from qualified suppliers (not in order of procurement value below) and safeguards its technological know-how through a high degree of vertical integration, manufacturing many key components in-house from these materials.

- (1) Stainless steel,
- (2) Nickel and nickel-cobalt alloys,
- (3) Technical glasses,
- (4) Graphite materials,
- (5) Precious metal alloys,
- (6) Potassium gold cyanide,
- (7) Various components, and
- (8) Specialized (production) equipment.

The electrovac Group follows a structured and forward-looking sourcing strategy aimed at ensuring supply chain resilience. In line with industry practice, most suppliers are subject to formal certification requirements, which in some cases limit the feasibility of dual or multi-sourcing. Nonetheless, the electrovac Group actively seeks to diversify its supplier base wherever technically and commercially viable. For critical components with limited sourcing alternatives, risk-mitigating measures include multi-month safety stock, the use of consignment inventory and early-stage coordination with suppliers. For instance, a standard buffer of typically one production quarter is maintained for key materials. All suppliers undergo a qualification process and are regularly assessed as part of the Company's broader risk management framework.

11.7 Property, Plants and Equipment

The electrovac Group operates four productions sites and several offices.

Location	Size of production space (in sqm)	Owned / Leased
Salzweg (electrovac germany GmbH)	3,740	Leased (cf. Related Party Transactions Sec. 15.2.1 below)
Salzweg (electrovac components GmbH & Co. KG)	3,410	Leased (cf. Related Party Transactions Sec. 15.2.2 below)
Klosterneuburg (electrovac austria GmbH)	4,330	Leased (cf. below)
Rayong, Thailand	1,250	Leased

On 18 May 2011, electrovac austria GmbH concluded a lease agreement with Stift Klosterneuburg regarding a plot of approx. 26,500 square meter for an indefinite term. The lessor has waived ordinary termination for 60 years. Termination for extraordinary reasons is possible. The current net rent amounts as of January 2026 to EUR 436,117.38 per year. The rent is amended according to CPI. Together with the conclusion of the lease agreement, electrovac austria GmbH acquired the buildings on the plot, which do not belong to the lessor, from the former lessee and is now the owner of the buildings based on a so called “*Superädifikat*”. This term refers to a temporary building on a third party property with the consent of the landowner - usually for a fee.

In March 2018, the land and buildings of electrovac germany GmbH were sold to a real estate company and then leased back to electrovac germany GmbH (sale & lease back, see also Sec. 15.2.1 “*Related Party Transactions*”).

11.8 Material Agreements

As of the date of this Prospectus, the electrovac Group is no party to material agreements that have been entered into outside the ordinary course of business, other than the following agreements as well as the Related Party Transactions described in Sec. 15.2 of this Prospectus.

11.8.1 Loan agreement between electrovac AG, electrovac germany GmbH and UniCredit Bank AG

On 10 November 2023, electrovac AG and electrovac germany GmbH entered a loan agreement with UniCredit Bank AG, pursuant to which UniCredit Bank AG granted a loan of EUR 1,000,000. The term is three years and six months with final repayment on 31 March 2027. electrovac AG and electrovac germany GmbH are jointly and severally liable. The loan is to be repaid in 14 repayment instalments, with the first instalment having become due on 31 March 2025. The

interest is fixed at 5.8% p.a. and interest is payable quarterly. electrovac AG and electrovac germany GmbH have undertaken to provide the bank with ongoing information on their financial situation throughout the term of the loan and to submit any documents requested. UniCredit Bank AG may terminate the agreement under certain conditions, including if electrovac AG and electrovac germany GmbH are in default with one instalment or a significant decline in financial circumstances occurs or threatens to occur and the repayment of the loan is thereby endangered. UniCredit Bank AG must be informed immediately of any changes in electrovac AG's or electrovac germany GmbH's shareholder structure. If the change in the shareholder structure increases UniCredit Bank AG's risk assessment for its claims under the loan agreement, it may demand the provision or strengthening of collaterals within a reasonable period of time. If electrovac AG or electrovac germany GmbH fail to fulfil their respective obligation to provide or strengthen collateral within this period, UniCredit Bank AG may terminate the loan agreement without notice. The borrowers initially received the loan without providing any collateral. As of 8 November 2023, electrovac AG and electrovac germany GmbH have utilised the loan in full.

11.8.2 Promotional loan (*Förderdarlehen*) between electrovac germany GmbH and UniCredit Bank AG and associated absolute maximum amount suretyship (*selbstschuldnerische Höchstbetragsbürgschaft*)

On 10 October 2022, electrovac germany GmbH entered into a loan agreement with UniCredit Bank AG, in which UniCredit Bank AG granted a promotional loan (*Förderdarlehen*) of EUR 2,000,000. LfA Förderbank Bayern, München, is the promotional bank (*Förderbank*). The term of the promotional loan (*Förderdarlehen*) is until 30 June 2029. The promotional loan (*Förderdarlehen*) is to be repaid in certain repayment instalments, with the first instalment having become due on 30 September 2024. The loan bears interest at 3.95% p.a. and is valid until 30 June 2029 (fixed-interest period). Interest is payable quarterly. electrovac germany GmbH has undertaken to provide the Bank with ongoing information on its financial situation throughout the term of the loan and to submit any documents requested. UniCredit Bank AG may terminate the loan agreement under certain conditions, for example if electrovac germany GmbH is in default with one instalment or a significant decline in financial circumstances occurs or threatens to occur and the repayment of the loan is thereby endangered. electrovac AG granted an absolute maximum amount suretyship (*selbstschuldnerische Höchstbetragsbürgschaft*) in the amount of EUR 1,000,000.

11.8.3 Promotional loan (*Förderdarlehen*) between electrovac germany GmbH and UniCredit Bank GmbH and associated absolute maximum amount suretyship (*selbstschuldnerische Höchstbetragsbürgschaft*)

On 2 March 2026, electrovac germany GmbH entered into a loan agreement with UniCredit Bank GmbH, in which UniCredit Bank GmbH granted a promotional loan (*Förderdarlehen*) of EUR 3,000,000. LfA Förderbank Bayern, München, is the promotional bank (*Förderbank*). The term of the promotional loan (*Förderdarlehen*) is until 31 March 2033. The promotional loan (*Förderdarlehen*) is to be repaid in certain repayment instalments, with the first instalment becoming due on 30 June 2027. The loan bears interest at 4.6% p.a. and is valid until 31 March 2033 (fixed-interest period). Interest is payable quarterly. UniCredit Bank AG may terminate the loan agreement under certain conditions, for example if electrovac germany GmbH is in default with one instalment or a significant decline in financial circumstances occurs or threatens to occur and the repayment of the loan is thereby endangered. electrovac AG granted

an absolute maximum amount suretyship (*selbstschuldnerische Höchstbetragsbürgschaft*) in the amount of EUR 1,500,000.

11.8.4 Framework credit line (*Rahmenkreditlinie*) between electrovac germany GmbH and UniCredit Bank AG and associated collateral trust agreement

On 25 April 2018, UniCredit Bank AG granted electrovac germany GmbH a framework credit line in the amount of EUR 3,500,000, usable either as overdraft facility or as Euro credit in EUR on various accounts. The framework credit line is granted for an indefinite period. At the time the agreement was signed, the variable interest rate was at 2.69% p.a. in the event that the loan was utilised as an overdraft facility. Changes of the interest rate depend on the development of the three-month EURIBOR. If this reference value increases by more than 0.25 percentage points compared to the initial reference value of October 2016, the interest rate increases by the difference. If the loan is utilised as Euro credit, the interest rate for each tranche is agreed separately. UniCredit Bank AG must be informed immediately of any changes in electrovac germany GmbH's shareholder structure. If the change in the shareholder structure increases UniCredit Bank AG's risk assessment for its claims under the loan agreement, it may demand the provision or strengthening of collateral within a reasonable period of time. If electrovac germany GmbH fails to fulfil its obligation to provide or strengthen collateral within this period, UniCredit Bank AG may terminate the loan agreement without notice. As collaterals, electrovac germany GmbH has assigned receivables from deliveries and services and transferred raw materials, consumables, operating materials, unfinished and finished products as well as goods.

11.8.5 Framework credit line between electrovac germany GmbH and UniCredit Bank AG and associated collateral trust agreement

On or about 26 July 2023, UniCredit Bank AG granted electrovac germany GmbH a framework credit line in the amount of EUR 4,500,000, usable either as overdraft facility or as Euro credit in EUR on various accounts. The loan will be made available until further notice (*bis auf weiteres*). The terms agreed with the bank apply to the term of Euro loans. At the time the agreement was signed, the variable interest rate was 6.54% p.a. in the event that the loan was utilised as an overdraft facility. Changes of the interest rate depend on the development of the three-month EURIBOR. If this reference value increases by more than 0.25 percentage points compared to the initial reference value of June 2023, the interest rate increases by the difference. If the loan is utilised as Euro credit, the interest rate for each tranche is agreed separately. UniCredit Bank AG must be informed immediately of any changes in electrovac germany GmbH's shareholder structure. If the change in the shareholder structure increases UniCredit Bank AG's risk assessment for its claims under this agreement, it may demand the provision or strengthening of collateral within a reasonable period of time. If electrovac germany GmbH fails to fulfil its obligation to provide or strengthen collateral within this period, UniCredit Bank AG may terminate the loan agreement without notice. As collaterals, electrovac germany GmbH transferred raw materials, consumables, operating materials, unfinished and finished products as well as goods located under the address Anglstraße 4, 94121 Salzweg, Germany.

11.8.6 Loan agreement between electrovac germany GmbH and Commerzbank Aktiengesellschaft

On 26 February 2020, electrovac germany GmbH entered into a loan agreement with Commerzbank Aktiengesellschaft, in which Commerzbank Aktiengesellschaft granted a loan of

EUR 1,550,000. The term of the loan is until 31 March 2030. The loan is to be repaid in 31 repayment instalments with the first instalment having become due on 30 June 2022. The loan bears interest at 1.0% p.a. and is valid during the term of the loan (fixed-interest period). Interest is payable quarterly. electrovac germany GmbH has undertaken to provide the bank with ongoing information on its financial situation throughout the term of the loan and to submit any documents requested. Commerzbank Aktiengesellschaft may terminate the agreement under certain conditions, for example if a significant decline in financial circumstances occurs or threatens to occur and the repayment of the loan is thereby endangered. As collateral, electrovac germany GmbH transferred a machine (total investment costs (*Gesamtinvestitionskosten*): EUR 1,550,000) by way of security transfer agreement.

11.8.7 Framework credit line between electrovac germany GmbH and Commerzbank Aktiengesellschaft and associated collateral trust agreement

On 27 June 2018, Commerzbank AG initially granted electrovac germany GmbH a framework credit line initially amounting to EUR 3,500,000. This initial framework credit line was lastly amended with addendum No. 3 increasing the framework credit line now amounting to EUR 4,500,000. The credit line can be used either as an overdraft facility, as a money market credit, as a guarantee facility to issue bank guarantees, warranty or standby letters of credit, or import letters of credit. In the case of a utilization as an overdraft facility, the interest rate was initially 3.59% p.a. until further notice. Changes of the interest rate depend on the development of the three-month EURIBOR. If three-month EURIBOR increases by more than 0.25 percentage points compared to the month before the last interest rate adjustment, Commerzbank AG is entitled to raise the interest rate accordingly. Commerzbank AG will reduce the interest rate according to the change of the three-month EURIBOR, if the three-month EURIBOR has been reduced by more than 0.25 percentage points. For other forms of utilization permitted under the loan agreement, interest will be agreed separately in each case. For the term of the loan agreement, electrovac germany GmbH undertakes not to place Commerzbank AG in a worse position than other lenders with comparable credit facilities and credit terms with regard to the provision of collateral and the agreement of other credit conditions (in particular compliance with certain key figures). If electrovac germany GmbH breaches this obligation, Commerzbank AG can set a deadline for remedy if remedy is possible. If remedy is not possible or the remedy period has expired without result, Commerzbank AG may demand the provision or strengthening of collateral within a reasonable period of time for the protection of claims arising from the framework credit agreement. If electrovac germany GmbH fails to fulfill its obligation to provide or strengthen collateral within this period, Commerzbank Bank AG may terminate the loan agreement without notice.

On 9 April 2015, electrovac germany GmbH entered into a collateral trust agreement with Commerzbank AG as a trustee and with UniCredit Bank AG to secure earlier loans (the "**Collateral Trust Agreement**"). In the Collateral Trust Agreement, electrovac germany GmbH provided non-accessory collateral to Commerzbank AG in the form of a security transfer of a warehouse and the supplies in this warehouse.

11.8.8 Hire purchase agreements (*Mietkaufverträge*) between electrovac germany GmbH and Commerz Real Mobilienleasing GmbH

Electrovac germany GmbH entered into several hire purchase agreements with Commerz Real Mobilienleasing GmbH *inter alia* for plants and machinery. The repayment obligations in total amount to approximately EUR 605,000.00.

11.8.9 Credit consent form (*Kreditzustimmungserklärung*) of UniCredit Bank Austria AG to electrovac austria GmbH

UniCredit Bank Austria AG informed electrovac austria GmbH by credit consent form dated 5 May 2020, that UniCredit Bank Austria AG can provide a loan in the amount of EUR 500,000 as trustee of the ERP-Fund with Austria Wirtschaftsservice Gesellschaft mit beschränkter Haftung ("**aws**") as guarantor.

The loan is to be repaid in 12 half-yearly repayment instalments with the first instalment having become due on 31 December 2022. The loan bears interest at 0.5% p.a. Interest is payable half yearly. In addition, a contribution fee (*Zuzahlungsentgelt*) of 0.9% of the loan amount must be paid to the ERP-Fund, which is deducted from the amount allocated. electrovac austria GmbH must immediately notify aws in writing if another company acquires a stake of at least 25% in electrovac austria GmbH or if electrovac austria GmbH or a shareholder acquires a stake of at least 25% in another company. The shareholders of electrovac austria GmbH are obliged to obtain the prior written consent of aws in the event of significant changes to the company's legal structure, in particular in the event of the sale, transfer or pledging of at least 25% of their shares. aws will not refuse its consent if there are economically comprehensible reasons for doing so, documented in an appropriate form.

80% of the loan amount are secured by way of a guarantee provided by Austria Wirtschaftsservice Gesellschaft mit beschränkter Haftung. 20% of the loan amount are secured by way of assumption of liability of UniCredit Bank Austria AG as guarantor and payer (*Haftung als Bürge und Zahler*) to the ERP-Fund. The following collateral is agreed in proportion to the aforementioned liability ratios to secure the amounts secured by both aws and the bank: (a) Transfer of two blank bills of exchange together with a declaration of assignment (*Blankowechsel samt Wechselwidmungserklärung*), accepted by electrovac austria GmbH, and (b) transfer of ownership (*Sicherungsübereignung*) of certain machines (cleaning system for stamped parts (*Reinigungsanlage für Stanzteile*), wire erosion machine (*Drahterodiermaschine*) and milling machine (*Fräsmaschine*)) as collateral. At the same time, the bank grants a guarantee credit of EUR 100,000 in connection with the liability it assumes towards the ERP-Fund.

11.8.10 Investment loan (*Investitionskredit*) of UniCredit Bank Austria AG to electrovac austria GmbH

On 29 January 2024, UniCredit Bank Austria AG granted an investment loan (*Investitionskredit*) in the amount of EUR 300,000 to electrovac austria GmbH. The loan is to be repaid in 10 half-yearly instalments in the amount of EUR 30,000 with the first instalment becoming due on 30 June 2026. The last instalment is payable on 31 December 2030. The loan bears interest at 5.254% p.a. Interest is payable quarterly. As collateral, certain guarantees were granted (among others, a guarantee by aws). electrovac austria GmbH must immediately notify aws in writing if another company acquires a stake of at least 25% in electrovac austria GmbH or if electrovac austria GmbH or a shareholder acquires a stake of at least 25% in another company.

The shareholders of electrovac austria GmbH are obliged to obtain the prior written consent of aws in the event of significant changes to the company's legal structure, in particular in the event of the sale, transfer or pledging of at least 25% of their shares. aws will not refuse its consent if there are economically comprehensible reasons for doing so, documented in an appropriate form.

11.8.11 Loan agreement (*Abstattungskreditvertrag*) between electrovac austria GmbH and Raiffeisenlandesbank Niederösterreich-Wien AG

On 20 October 2022, electrovac austria GmbH entered into a loan agreement with Raiffeisenlandesbank Niederösterreich-Wien AG, in which Raiffeisenlandesbank Niederösterreich-Wien AG granted a loan of EUR 410,000. The term of the loan is until 30 September 2029. The loan is to be repaid in 83 monthly payment instalments in the amount of EUR 4,881, with the first instalment having become due on 31 October 2022. The loan bears interest at 3.6% p.a. and is valid during the term of the loan (fixed-interest period). Interest is payable quarterly. electrovac austria GmbH has undertaken to provide Raiffeisenlandesbank Niederösterreich-Wien AG with ongoing information on its financial situation throughout the term of the loan and to grant the bank the right to subject the borrower's business to a business audit at any time and, for this purpose, to inspect the borrower's books and operations if, in the bank's opinion, this appears necessary due to changed economic circumstances. Raiffeisenlandesbank Niederösterreich-Wien AG may terminate the agreement under certain conditions, for example in case of significant payment default. As collateral, electrovac austria GmbH deposited two blank bills of exchange (*Blankowechsel*) and a pledge certificate dated 5 September 2011 / 13 September 2011 for the maximum amount of EUR 2,280,000 relating to the superstructure (*Superädifikat*) and restriction on transfer of the existing fire insurance for this superstructure (*Superädifikat*) with the bank. electrovac austria GmbH is not entitled to assign its rights under this contract to third parties or otherwise dispose of them.

11.8.12 Overdraft facility agreement between electrovac components GmbH & Co. KG and Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland as well as related letter of comfort by electrovac AG

On 16 April 2018, electrovac components GmbH & Co. KG concluded an overdraft facility agreement with Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland. The bank provides electrovac components GmbH & Co. KG with an overdraft facility in the amount of up to EUR 2,500,000. The overdraft facility can also be used as a term loan. The interest rate is 2.5% p.a. with quarterly adjustment for the first time as of 30 June 2018 in line with the development of the 3-month-EURIBOR plus 2.5 percentage points. The overdraft facility agreement is concluded for an indefinite period. Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland is entitled to refuse payments and to terminate the loan without observing a period of notice if the control at electrovac components GmbH & Co. KG should change. Control under the agreement means that a person or group of persons acting in concert directly or indirectly hold more than 50% of the shares and/or voting rights in electrovac components GmbH & Co. KG. Electrovac AG has issued a letter of comfort up to an amount of EUR 1,000,000 as collateral in which it has also undertaken to retain its shares in electrovac components GmbH & Co. KG for the duration of the loan.

11.8.13 Facility agreement between electrovac components GmbH & Co. KG and Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland as well as related guarantee by electrovac AG

On 22 April 2025, electrovac components GmbH & Co. KG entered into a loan agreement with Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland, in which Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland granted a loan of EUR 400,000. The term of the loan is until 31 March 2026. The loan is to be repaid in 12 monthly payment instalments each in the amount of EUR 33,333.33, with the first instalment having become due on 30 April 2025. The loan bears interest at 4.3% p.a. and is valid during the term of the loan (fixed-interest period). Interest is payable monthly. Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland is entitled to refuse payments and to terminate the loan without observing a period of notice if the control at electrovac components GmbH & Co. KG should change. Control under the agreement means that a person or group of persons acting in concert directly or indirectly hold more than 50% of the shares and/or voting rights in electrovac components GmbH & Co. KG. electrovac components GmbH & Co. KG has undertaken to provide the Bank with ongoing information on its financial situation throughout the term of the loan and to submit any documents requested. Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland may terminate the agreement under the condition of significant ground (*wichtiger Grund*). Electrovac AG has issued a directly enforceable maximum amount guarantee (*selbstschuldnerische Höchstbetragsbürgschaft*) up to an amount of EUR 400,000 as collateral.

11.8.14 Hire purchase agreements (*Mietkaufverträge*) between electrovac components GmbH & Co. KG and Raiffeisen-IMPULS Finance & Lease GmbH

Electrovac germany GmbH entered into several hire purchase agreements with Raiffeisen-IMPULS Finance & Lease GmbH *inter alia* for plants and machinery. The repayment obligations in total amount to approximately EUR 3,000,000.00.

11.9 Investments

The electrovac Group has made the following major investments in the prior three financial years (all values in kEUR):

Legal Entity	As of 31 March		
	2025	2024	2023
Total electrovac germany GmbH	588	852	1,139

Major Projects:

- New electronic system for wastewater treatment: **292**
 - Whole space of and all equipment in wastewater treatment has been reset with new electric and electronic components. Additionally, a new control unit has been installed.
- Process Automation for Bosch sensor: **287**
 - A new final inspection machine (automation in imaging control process) has been installed.
- Process Automation for unit control package gen.3: **630**
 - The project for rationalization of this product included an automatic assembling line and the automation of final deburring and cleaning process in stamping process.
- Milling machine: **145**
 - The machine has been installed instead of an old machine in the tooling shop. Intention was to achieve better quality and quicker run time.
- Refurbish sanitary rooms: **142**
 - All sanitary rooms (shower, changing rooms) for operators have been refurbished.

Total electrovac components GmbH & Co. KG	673	302	818

Major projects:

- Improvements pin processing machines: **497**
 - Several machines for pin cutting and pin processing have been completely revised for getting higher capacity and better quality in production process.
- Turning machines: **589**
 - 2 new machines replaced older equipment. They enable the company to produce a broader spectrum of turned components in house.
- Special pin forming machines: **182**
 - Acquisition of 2 additional machines for a new project in product group personal safety.

Total electrovac austria GmbH	1,275	732	1,605

Major projects:

- SAP new release S4 Hana: **368**
 - This project included the conversion from old SAP release to S4/Hana and the setup of a new application for electronic workflow in accounting for all entities at electrovac group.
- Graphite Milling machines: **617**
 - The replacement of 2 old machines in graphite jig production enabled a significant raise of the capacity and production quality.
- Wire erosion machines: **297**
 - 2 old machines had to be replaced (new technology).
- New projects stamping tools: **749**
 - Several new stamping tools have been designed and produced to enable in-house production of stamped parts for new customer projects.
- Special pin forming machines: **182**
 - Acquisition of 2 additional machines for a new project in product group personal safety.

Total Electrovac (Thailand) Co. Ltd., TH	4,066	780	428

Major projects:

- New production line airbag ignitors: **4,883**
 - Production equipment is needed for main product group – personal safety / airbag ignitor headers. One production line comprises standard and special-purpose machinery: assembling equipment, a sealing furnace, a gold plating line, bending machines, one grinding machine unit, one final inspection line.

Major investments in next three financial years (already in progress or planned) are:

Investment Object	Value kEUR	Region	% Financed by free cash flow ¹⁵
Extension prod. capacity airbag ignitors	6,940	Asia	50%
Extension prod. capacity airbag ignitors	2,670	Germany	55%
New project plastic ignitors	1,300	Germany	0%
New stamping machine for airbag rings	270	Austria	100%
Additional milling machine (aerospace)	300	Austria	0%
Replacement deburring machine	300	Austria	0%

11.10 Legal Disputes and Governmental Proceedings

As of the date of this Prospectus, there are no legal disputes or governmental proceedings pending or threatened of which the Company is aware, during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Company's and/or the electrovac Group's financial position or profitability, except for the ongoing general tax audit at electrovac germany and electrovac components for the financial years ended on 31 March 2020 until 31 March 2022 (for further details, see Section 3.3.3 "*The electrovac Group is subject to the tax laws and regulations of Germany and numerous other countries*").

11.11 Employees

As of the date of this Prospectus, the Company employed 550 FTEs (excluding temporary agency workers).

The table below shows the number of employees, by entities, as at the reporting dates indicated:

¹⁵ Remaining financing will be secured by IPO proceeds or debt.

	As of 31 January	As of 31 March		
	2026	2025	2024	2023
electrovac AG	1	1	1	1
electrovac germany GmbH	250	256	257	275
electrovac components GmbH & Co. KG	85	81	80	82
electrovac austria GmbH	152	148	143	138
Electrovac France SAS	2	2	2	2
Electrovac Japan KK	2	2	2	2
Electrovac (Thailand) Co., Ltd.	56	51	44	41
Electrovac USA Inc.	1	1	1	1
Total:	550	540	529	543

For the financial year ended 31 March 2025, the electrovac Group employed a total of 14 temporary workers; as of 31 January 2026, the electrovac Group employed a total of 12 temporary workers.

There has been no material change in the number of FTEs between 31 January 2026 and the date of this Prospectus.

11.12 Compliance Organisation

The electrovac Group has established a clear organizational structure including responsibilities and authorizations. It has also implemented a code of conduct for internal use as well as for its suppliers, and a whistleblower procedure is in place as well. Additionally, a risk analysis and assessment procedure is implemented according to IATF 16949 and EN 9100.

The electrovac Group maintains a product compliance organization with clearly assigned responsibilities (including a product safety officer), quality-assured processes (e.g., according to IATF 16949 or EN 9100), supplier qualification and monitoring, traceability down to the lot/batch level, and standardized problem-solving processes. Development, testing, and approval documentation is stored in an audit-proof manner.

Furthermore, quality and acceptance processes are carried out in accordance with customer-specific specifications (e.g., advanced product quality planning – "**APQP**" / production part approval process – "**PPAP**") which are complex and involve employees of the electrovac Group in several departments. For example, contracts regularly include provisions on notices of defects, remedial measures, serial defects, and the bearing of costs for sorting, reworking, field replacement, and recalls. Limitations of liability are agreed upon – insofar as they are legally effective under the terms and conditions – but are typically restricted in cases of gross negligence/intent, injury to life, limb, health, or cardinal obligations. Changes to products/processes are subject to approval and change notification requirements (PCN); deviations require the prior approval of the customer.

There is a yearly management review process established, where all relevant topics are reviewed by the management team, including for example internal audit results, KPI developments, continuous improvements, customer claims, risk assessment results and lessons learned.

11.13 Research and Development, Intellectual Property Rights

11.13.1 Research and Development

The electrovac Group's business model requires intensive R&D activities in a competitive environment. The electrovac Group protects its know-how through a high grade of vertical integration and manufactures many of the important components itself.

Development expenditures mainly concerns the solution of customer-specific problems related to the actual application of the electrovac products in the field of packaging and interconnection of electronic circuits and sensors. The respective projects are usually carried out together or in close coordination with the customer.

In addition to development projects for customers, the electrovac Group also performs R&D activities in the area of new materials and new production technologies. There are currently 10 R&D employees at the sites in Germany and Austria which are supported by other staff in the areas of construction, quality assurance, process and automation techniques and manufacturing. The R&D employees are typically in the lead until the final handover of a new product to manufacturing.

In the past three financial years and in the interim period until 31 December 2025, only two of the electrovac Group companies have recorded R&D expenses separately in their books. These amounted to:

Values in kEUR	1 April to 31 Dec 2025 unaudited	1 April 2024 to 31 March 2025 audited	1 April 2023 to 31 March 2024 audited	1 April 2022 to 31 March 2023 audited
electrovac Austria GmbH	554	779	724	665
electrovac Germany GmbH	376	404	309	292

In the last three years, the electrovac Group was working on many projects for different sensor applications. Many of these applications are in the area of aerospace and defense. The electrovac Group also developed new processes for satellite housings and medical applications and worked on the development of new igniter headers for both applications, automotive and munitions.

11.13.2 Intellectual Property Rights

The electrovac Group is developing and protecting its own Know-How and patents particularly in the field of sockets for airbag igniters. Most patents related to airbag igniter sockets are held by electrovac germany GmbH (formerly Electrovac Hacht und Huber GmbH).

The Company holds most of the other intellectual property rights of the electrovac Group, in particular the word and word/figurative marks “electrovac” in various countries, and the domains currently used for the websites of the electrovac Group.

The rights of use are non-exclusively licensed to the electrovac Group companies as required, e.g. with respect to certain patent rights the Company is licensor to electrovac germany GmbH which may use the patent rights based on a non-exclusive personal, non-transferable and territorially unrestricted license without the right to sublicenses. The respective license agreement contains quality assurance provisions to be observed by the licensee. Non-exclusive trademark licenses have been granted to electrovac germany GmbH and electrovac austria GmbH (please refer to Sections 15.2.8 and 15.2.9 “*Related Party Transactions*” for further details).

12. LEGAL AND REGULATORY ENVIRONMENT

The electrovac Group’s business is subject to various law, rules and regulations and highly regulated in some areas. This section provides an overview of some of the laws and regulations materially relevant to the business of the electrovac Group in Germany. It does not claim to provide a complete and comprehensive presentation of all relevant legal regulations. The focus is on the legal framework applicable in Germany and the EU as the most important sales regions. Other countries in which the electrovac Group operates may have similar laws, rules and regulations.

12.1 Contract and Purchase Law

In Germany, the principle of freedom of contract (“*Vertragsfreiheit*”) is considered an essential principle of private autonomy, which encompasses both the freedom to enter into contracts as well as the freedom to determine their content. This principle is restricted by a number of statutory provisions, in particular those contained in the German Civil Code (*Bürgerliches Gesetzbuch* – “BGB”), from which individual contractual agreements may not deviate. However, even if an individual contractual provision is invalid or unenforceable, this does in general not affect the validity of the rest of the contract itself and statutory law applies.

Contractual provisions are often used as general terms and conditions, and must then be measured against the strict provisions of Article 305 et seq. BGB. If a general term and condition is in-valid, this also does not affect the validity of the other general terms and conditions and results in the application of statutory law in place of the invalid provisions.

In Germany, sales law is largely governed by the German Civil Code, § 433 ff. BGB. If the sales contract is concluded between two merchants, the sales law is complemented and partially modified by the provisions of the German Commercial Code (“*Handelsgesetzbuch* – HGB”), §§ 343 et seq. HGB). If the sale is made with a consumer (sale of consumer goods), additional consumer protection standards apply (§§ 474 et seq. BGB). The BGB implements various EU sales law directives. Purchase law has undergone far-reaching changes as of 2022 through the implementation of the Goods Directive (2019/771/EU) and the Digital Content Directive (2019/770/EU) (implemented in particular in Sections 327 et seq. and Sections 475a et seq. of the German Civil Code for digital products).

For further explanations please refer to Section 12.2.4 below.

12.2 Product Safety and Liability Laws

In addition, there are other obligations that primarily apply to the manufacturer of a product or to such entity that places the product on the EU market first. These arise from product safety regulations and product liability regulations, in particular under the Product Liability Act ("*Produkthaftungsgesetz – ProdHaftG*") and under tort law. A manufacturer within the meaning of the law is anyone who has manufactured the end product, a raw material or a partial product. A manufacturer is also deemed to be anyone who claims to be a manufacturer by affixing his name, trade mark or other distinctive sign. Furthermore, anyone who imports or brings a product into the area of application of the Agreement on the European Economic Area for the purpose of sale, rental, hire-purchase or any other form of distribution with a commercial purpose within the scope of their business activity is deemed to be a manufacturer. Depending on the specific circumstances of the individual case, suppliers may also be considered manufacturers in exceptional cases.

12.2.1 Product Compliance

As a general rule it can be stated that each product, which is put into the German market must be designed, manufactured and provided with appropriate user information (manuals, warning messages as well as safety signs and labels) in a way that any hazardous situation in course of the product use will be avoided. This rule is reflected by rules and regulations within the Law on Product Safety (*Produktsicherheitsgesetz – "ProdSG"*) and the Product Liability Law (*Produktsicherheitsverordnungen*) in Germany. Furthermore, a product may be subject to further legal requirements imposing formal requirements on the economic operators (manufacturers, importer and distributors) such as a specific certification or documentation of the product quality. Before entering the German market, a proper product compliance protocol must be put in place to ensure the fulfilment of the aforementioned requirements.

12.2.2 Product Safety Law

German product safety law consists of a framework of general rules such as the *ProdSG* which will be subject to an adjustment in the light of the new Regulation (EU) 2023/988, as well as the various German product safety regulations, depending on the specific nature of the product. Products that do not comply with the *ProdSG* cannot be distributed in Germany or the EU. These rules and regulations do apply automatically when the product enters the German market. All these rules and regulations are compulsory and cannot be excluded nor modified by a contractual agreement.

Furthermore, the European Regulation on Market Surveillance EU 2019/1020 ("**Market Surveillance Regulation**") applies, which contains specific regulations dealing with specific products mainly based on EU law and general rules applicable to any kind of products. The Market Surveillance Regulation does not have to be transposed into national laws as it is directly applicable. Nevertheless, it is accompanied by national implementing regulations, in particular the German Act on Market Surveillance (*Marktüberwachungsgesetz – "MüG"*). The *MüG* extends the application of the Market Surveillance Regulation's provisions to additional products and provides for further powers of competent authorities. The Market Surveillance Regulation led to a tightening of conformity checks and additional powers for national market surveillance authorities. The EU's stated objective is to reinforce trust in the EU single market by ensuring compliance with, and enforcement of product-related legislation in cooperation with customs authorities.

However, the Market Surveillance Regulation only applies insofar as there are no specific provisions with the same objective, nature or effect in EU harmonization legislation.

For the products manufactured by the electrovac Group (in particular airbag igniter sockets), among others, the following selection of rules and regulations apply:

- Regulation (EC) 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the **Registration, Evaluation, Authorisation and Restriction of Chemicals** (“**REACH**”) establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/ECC and Commission Directives 91/155/EEC, 93/67/ECC, 93/105/EC and 2000/21/EC. REACH will be subject to revision as announced by the European Commission.
- Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain **hazardous substances in electrical and electronic equipment** (“**RoHS**”) as amended from time to time.
- Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on **waste electrical and electronic equipment** (“**WEEE**”) (last amended by Directive (EU) 2024/884 of the European Parliament and of the Council of 13 March 2024) which was transferred to Germany law by the German Electrical and Electronic Equipment Act (*Elektro- und Elektronikgerätegesetz – “ElektroG”*) establishing among others a registration obligation and obligations in respect of product design for producers who intend to place their products on the market. In addition, the ElektroG regulates the marketing, return and environmentally friendly disposal of electrical and electronic equipment. The ElektroG newest amendment will be in force starting from 1 January 2026.
- The rules on market surveillance (European Regulation (EU) 2019/1020 as well as the MüG) are a legal framework to further develop and strengthen the market surveillance authorities.
- Directive 2013/29/EU of the European Parliament and of the Council of 12 June 2013 on the harmonization of the laws of the Member States relating to the making available on the market of pyrotechnic articles.
- **Regulation (EU) 2018/858** of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (as well as related EU legislation). In addition – although those are not state laws/regulations –, various OEM/Tier 1/Tier 2 specifications, production approval processes (e.g., PPAP), and functional safety standards must be observed due to contractual obligations and/or to remain in consideration for the awarding of future contracts. Violations can also affect type approvals, trigger market surveillance measures or result in significant recall and liability risks.

As regards the supply of products to OEM/suppliers in the automotive industry, among others, the following selection of laws and regulations may additionally apply, depending on the exact product in question:

- **Regulation (EU) 2018/858** on the approval and market surveillance of motor vehicles and their trailers, and of systems, components, and separate technical units.
- **UN-ECE Regulation No. 16** (seat belts and restraint systems), including requirements for belt tensioners and interfaces with airbag systems.
- **UN-ECE Regulations No. 94 and No. 95** (occupant protection in frontal and side collisions) – specify test procedures (crash tests) and protection criteria within which airbag systems are evaluated as components of the vehicle protection concept.
- **UN-ECE Regulation No. 135** (protection in frontal collisions with offset overlap) and other crashworthiness regulations that address the effectiveness of occupant protection systems (including airbags).
- **UN-ECE R129** applies to **child restraint systems** (if airbags are affected by their interaction); vehicles must provide clear instructions and, if necessary, deactivation functions for passenger airbags in connection with rear-facing child seats.

12.2.3 Product Liability Laws

12.2.3.1 European Law

While the product liability regime in the EU is still shaped by Council Directive 85/374/EEC of July 25, 1985, as amended ("**PLD 1985**"), the newly adopted Directive (EU) 2024/2853 on liability for defective products ("**PLD 2024**") which is in effect since 8 December 2024 repealed the PLD 1985. The EU member states can opt for deviation from PLD 2024 in a few cases, which will take effect at the latest as of 9 December 2026.

The PLD 1985 sets out a scheme of strict product liability for damage arising from defective products. The principle of strict liability applies, meaning liability of the producer irrespective of fault in cases of damage caused by a defect in its product or any of its component parts. The PLD 1985 covers damage resulting from death or personal injuries as well as damage to property intended for private use or consumption other than the defective product itself (the latter is subject to a deductible of EUR 500). The PLD 1985 does not limit compensation for non-material damage under national law. Member States may only derogate from the principle of unlimited liability if the limit laid down in national legislation is sufficiently high to ensure adequate protection of the consumer. For example, in Germany, the German Product Liability Act (*Produkthaftungsgesetz* – "*ProdHaftG*") which transposes the Product Liability Directive into national law, stipulates a limit of EUR 85,000,000.

Under the PLD 1985, a producer is defined as the manufacturer of a finished product, of any raw material or component part, and any person who presents himself as a producer, for example by putting his name or trademark on the product. Without prejudice to the liability of the producer, any person who imports a product into the European Union in the course of his business for, among others, sale or any other form of distribution is deemed to be a producer. Where the producer or importer cannot be identified, each supplier of the product shall be treated as its

producer unless he informs the injured person, within a reasonable time, of the identity of the producer/importer or of the person who supplied him with the product. Where two or more persons are liable for the same damage, they shall be liable jointly and severally, without prejudice to the provisions of national law concerning the rights of contribution or recourse.

A product is defective if it does not provide the safety that a person is entitled to expect, taking all circumstances into account. This includes (a) the presentation of the product; (b) the use to which it could reasonably be expected that the product would be put; and (c) the time when the product was put on the market. The sole reason that a better product is subsequently put on the market is not considered sufficient to describe a product as defective. The injured person has to prove the damage, the defect and the causal relationship between defect and damage.

The PLD 2024 came into force in December 2024. As a Directive, the PLD 2024 is not directly binding but needs to be transferred into national laws by the Member States by at the latest by 9 December 2026. While the PLD 2024 retains many similarities to the current regime and the principle of strict liability (i.e. liability irrespective of fault), it also introduces claimant friendly changes, which includes (i) expanding the scope of the definitions of "product" (to also include e.g. software) and "damage" (to include medically recognized psychological harm), (ii) broadening the list of potential defendants to include additional stakeholders in the supply chain, (iii) creating rebuttable presumptions as to defect and causation to help claimants prove their case, (iv) requiring Member States to introduce important procedural changes, including the introduction of disclosure requirements (document production) and extending the limitation "longstop" in cases of latent harm, and (v) removing minimum or maximum thresholds for claims.

12.2.3.2 German Law

In Germany, either the seller or the producer, or both jointly, can be held liable if the product is defective. The injured person may assert claims arising from product liability, producer liability, and warranty for defects. The rules for liability are to be found in the *ProdHaftG* which needs to be adjusted by the end of 2026 at the latest in the light of PLD 2024 and the associated modernization and expansion of EU law on product liability, and the BGB as well as in special laws. According to the *ProdHaftG*, the manufacturer is liable regardless of fault if a defective product causes death or bodily injury/damage to health or damages another item that is normally intended for private use or consumption and is mainly used for this purpose by the injured person. A product is defective if it does not offer the safety that can reasonably be expected under all circumstances, in particular its presentation, its reasonably expected use, and the time it was placed on the market. In addition, there are tort law obligations on manufacturers (including design, manufacturing, instruction, and product monitoring obligations). Identified risks can trigger warning and recall obligations; failure to comply with these obligations significantly increases the liability risk.

In the event a product has caused damage to persons or items (other than the defective product itself), the producer is strictly liable pursuant to *ProdHaftG*. Liability under the *ProdHaftG* can neither be restricted nor excluded in advance. In principle, the individual who suffered damage must (only) prove the defect (i.e. not the root cause, the damage, and the causal link between fault and damage, as liability under the *ProdHaftG* is a so-called strict liability, meaning liability regardless of fault).

The ProdHaftG applies, if the harmed person has its usual place of residence in Germany and the defective product was placed on the German market or if the defective product was bought in Germany and was placed on the German market or if the harm arose in Germany and the defective product was placed on the German market. It is sufficient that the producer could have reasonably foreseen that a product might be placed on the German market by another market participant, e.g. one of its customers, to be held under the ProdHaftG. Thus, it is not necessary that the defective product was imported to Germany by the producer itself. Comparable regulations also apply in the other Member States of the European Union.

12.2.4 German Sales Law

According to the BGB, the seller is obliged to hand over the item to the buyer and to transfer ownership of it — free of material defects and defects of title, § 433 Para. 1 BGB. If the item is defective at the time of the transfer of risk (§ 446, § 447, § 475 para. 2, 3 BGB), i.e. usually at the time of handover, this gives rise to warranty rights for the buyer.

The item is free of material defects if it fulfils the so-called subjective requirements, the objective requirements and the assembly requirements in the following sense at the time of transfer of risk. The item fulfils the subjective requirements if it has the agreed quality, is suitable for the use stipulated in the contract and is handed over with the agreed accessories and the agreed instructions, including assembly and installation instructions (where applicable). Unless otherwise effectively agreed, the item meets the objective requirements if it is suitable for normal use, has a quality that is customary for items of the same type and that the buyer can expect (especially based on public product advertisement), corresponds to the quality of a sample or model that the seller made available to the buyer prior to conclusion of the contract and is handed over with the accessories and instructions that can reasonably be expected by the buyer. The item meets the assembly requirements if the assembly has either been carried out properly or has been carried out improperly, but this is neither due to improper assembly by the seller nor to a defect in the instructions provided by the seller. The burden of proof that the goods were defective at the time of the transfer of risk is generally on the buyer, § 363 BGB.

If the item is defective, the buyer is entitled to request subsequent performance (at his discretion, new delivery or rectification of defects), to withdraw from the contract, to reduce the purchase price and/or to demand compensation for damages or expenses, § 437 et seq. BGB. However, the buyer has to give the seller the opportunity for subsequent performance and set a grace period for this purpose before the buyer can demand compensation or withdraw from the purchase contract. As part of the subsequent fulfillment, the buyer must also bear the necessary expenses (e.g. transport costs, costs of installation and removal).

Warranty claims for movable goods generally become time-barred within two years, beginning with the handover of the purchased item, § 438 para. 1 no. 3 BGB. In addition to these warranty rights, the manufacturer or seller may grant the buyer guarantee rights (guarantee), § 443 (1) BGB. If such a guarantee of durability is given, it is assumed by law that a defect occurring during the guarantee period triggers the guarantee rights.

In some circumstances, recourse may be taken by the seller against the party that supplied the item in question to the seller (*Rückgriff des Verkäufers*).

In B2B supply relationships between OEMs and suppliers and/or in the contractual relationships along the supply chain quality and acceptance processes typically have to be carried out in accordance with customer-specific specifications (e.g., APQP/PPAP that are contractually agreed upon). Contracts regularly include provisions on notices of defects, remedial measures, serial defects, and the bearing of costs for sorting, reworking, field replacement, and recalls. Limitations of liability are agreed upon – insofar as they are legally effective under the terms and conditions – but can contractually be restricted in cases of gross negligence/intent, injury to life, limb, health, or cardinal obligations. Changes to products/processes are subject to approval and change notification requirements (PCN), depending on the contractual agreements between the parties in question, deviations require prior customer approval unless agreed otherwise.

Additionally, producers as well as (under certain circumstances) sellers of products, can also be held liable pursuant to tort law under the BGB if the product in question is defective. In this respect, the manufacturer has the obligation to properly design and produce a product, to instruct on its use and to monitor it on the market. The liability under German tort law is in principle unlimited in the sense that there is a liability exists for all damages caused by a defective product. According to case law, the producer is also obliged to observe the product also after putting it on the market (*Pflicht zur Produktbeobachtung*). This constitutes a producer's duty of investigation and reaction since product safety and compliance first and foremost lies in the producer's hand.

12.3 Environmental, Health and Safety Laws

Manufacturing sites are subject to laws, rules and regulations relating to environmental protection, including those governing air emissions, pollution prevention and remediation, water discharges and waste management, the use of certain substances in manufacturing processes and occupational health and safety. Compliance with these requirements can be enforced by governmental authorities and sometimes also by third parties. In addition, production companies are required to obtain and maintain permits from governmental authorities, for example permits for the construction, operation and alteration of manufacturing facilities or permits under water law. In the application process for such permits, the compliance with applicable provisions of, among others, environmental and occupational health and safety laws is assessed. There are also regular inspections by competent authorities in these regards.

Non-compliances with requirements set out in specific permits or respective laws, rules and regulations, may trigger administrative orders (this may include monitoring and measuring, restoring, complementing and changing processes), fines, penalties or may lead to limitations on or, in worst-case, to a shutdown of operations. The responsible individuals may also be subject to criminal prosecution. In addition, breaches of environmental laws may result in financial liability under public or civil law.

12.3.1 Regulations regarding Materials and Substances used in Manufacturing

The use of certain substances in manufacturing processes is subject to certain obligations, in the EU in particular under REACH Regulation, RoHS Directive, as well as other EU legal requirements, including WEEE and sector-specific occupational safety regulations (see also above Section 12.2.2). In the United States, additional federal requirements under the Toxic Substances Control Act (“**TSCA**”) and state regulations, in particular California Proposition 65 (“**CA Proposition 65**”), apply. In addition, there are specific regulations for persistent organic pollutants (“**POPs**”) and per- and polyfluoroalkyl substances (“**PFAS**”) at EU, US, and international level. Similar regulations may apply in other jurisdictions.

Moreover, there is a host of industry standards especially in the automotive industry which are typically contractually imposed by OEMs on their suppliers.

REACH requires manufacturers, importers, and downstream parties actors in the supply chain to manufacture, place on the market, or use substances on their own, in mixtures, or in articles only in such a way that the associated risks to human health and the environment are adequately controlled. For articles, the information requirement applies in particular to substances of very high concern (SVHC) on the Candidate List in accordance with Article 33 REACH from a mass fraction of more than 0.1%, whereby information must be provided to industrial customers without being requested and to consumers upon request. In addition, products containing SVHCs above this threshold and made available on the EU market must be reported to the Substances of Concern in Products (SCIP) database in accordance with the Waste Framework Directive. Furthermore, REACH contains restrictions in accordance with Annex XVII as well as authorization requirements in accordance with Annex XIV for selected substances of very high concern, which may only be used in permitted applications and with authorization after expiry of their minimum shelf life. EU manufacturers and importers must also comply with the registration requirement for substances in quantities of 1 ton or more per year, with dossiers including reliable substance identity, physicochemical, toxicological and ecotoxicological data, classification and labeling, and – for quantities of 10 tons per year or more – a substance safety report. Safety data sheets (SDS) must be provided for hazardous substances and mixtures and – where exposure scenarios have been generated – must be supplied as extended SDS. Downstream users act within the identified uses, check the exposure scenarios relevant to them, and inform the supplier of any deviating or new uses. For articles, the principle of “once an article, always an article” applies, meaning that SVHC thresholds and related information and reporting obligations apply to each individual article within a complex product and, where relevant, require notification to the SCIP database.

The **RoHS** Directive restricts the use of certain hazardous substances in electrical and electronic equipment. RoHS 2 (2011/65/EU) has extended the scope to almost all electrical and electronic equipment and embedded conformity in the CE marking regime. RoHS 3 (2015/863) has added four phthalates and included category 11. In particular, lead, mercury, cadmium, hexavalent chromium, PBB, PBDE, DEHP, BBP, DBP and DIBP are covered within the specified concentration limits.

The **WEEE** requirements establish comprehensive manufacturer responsibility for the registration, labeling, take-back, and disposal of waste equipment, as well as for reporting the quantities of products placed on the market in the respective member states.

The **TSCA** regulates the approval and restriction of chemical substances in the USA. In principle, only substances listed in the TSCA Chemical Substance Inventory may be imported into or used in the USA. New additions require a prior notification (PMN) at least 90 days before production begins. Of particular note is Section 6(a), according to which the US Environmental Protection Agency issues binding bans and restrictions on the use of particularly hazardous substances (e.g., asbestos, PCBs, mercury, certain PBTs such as PIP 3:1). Imports require positive or negative certification and compliance with new or existing substance requirements.

CA Proposition 65 requires clear and reasonable warnings to be provided if there is relevant exposure to listed chemicals during normal use. The need for labeling is based on specified safe harbor levels (NSRL/MADL) and a corresponding exposure assessment.

In addition, PFAS, PFCA, and other persistent organic pollutants are subject to specific restrictions. In the EU, the **POP** Regulation (including bans/limit values for PFOS/PFOA in articles) and supplementary REACH restrictions stipulate essential requirements. In the US, restrictions exist under TSCA, supplemented by state bans (e.g., **PFAS** in packaging or textiles). The Stockholm Convention sets the international legal framework for the regulation of POPs, with PFAS being evaluated by expert committees.

In the automotive industry, the International Material Data System ("**IMDS**") for complete material declarations serves as the basis for OEM approvals, and the Global Automotive Declarable Substance List ("**GADSL**") serves as the basis for labeling substances that must be declared or avoided. The Responsible Minerals Initiative ("**RMI**") provides standardized reporting formats for CMRT, EMRT, AMRT, and STRT for the disclosure of smelters and refiners used in the supply chain and the origin of critical minerals in order to fulfill due diligence obligations in the supply chain and ensure supply chain transparency.

In addition, various German laws governing chemicals and hazardous substances including Gesetz zum Schutz vor gefährlichen Stoffen 1 ("**ChemG**"), Verordnung zum Schutz vor Gefahrstoffen ("**GefStoffV**") and Verordnung über Verbote und Beschränkungen des Inverkehrbringens und über die Abgabe bestimmter Stoffe, Gemische und Erzeugnisse nach dem Chemikaliengesetz ("**ChemVerbotsV**") must be observed and complied with when dealing with chemicals and hazardous substances.

Compliance with these and other regulations or contractually imposed industry standards are ensured by regular or specific assurances, external and internal monitoring, and documentation such as by way of issuing certificates or reports. Obligated companies implement central material/substance databases linked to current candidate and restriction lists, contractually oblige their suppliers to comply, including proactive notification requirements (e.g., for SVHC contents above 0.1% and formulation changes), conduct regular screenings against REACH SVHC/Annex XVII and RoHS updates, use automated comparisons in IMDS/PLM, manage RoHS exemptions (including expiry monitoring and technical justification), submit SCIP notifications for affected articles, assess exposures and define labeling paths according to CA Proposition 65, check inventory/Section 6 requirements according to TSCA before US market entry, and maintain technical files and EU declarations of conformity (DoC). Externally, national market surveillance, chemical, and environmental authorities monitor compliance (including BAuA/ECHA and market surveillance authorities for REACH/SCIP/RoHS/CE; EAR Foundation for WEEE; EPA and CBP for TSCA; for POP/PFAS, including EFSA/UBA/BfR/BAuA). Violations are published, for example, via the EU Safety Gate (formerly RAPEX). In response to these requirements, companies should have internal departments or designated persons such as Product Compliance/Regulatory, CE/Product Managers, Purchasing, Quality/Laboratory, Customs/Import Compliance, Engineering/PLM, and CSR/Supply Chain which are responsible for list comparisons, test planning, data flows, traceability, and approvals. Evidence includes supplier declarations (REACH/RoHS/TSCA/CA Proposition 65/PFAS), laboratory test reports (e.g., PAH, phthalates, PFAS), SCIP confirmations, internal approvals and control protocols, registration numbers (WEEE), system and contract documents, technical files and DoC, IMDS numbers and audit trails, GADSL reports, TSCA declarations of conformity and customs certificates, as well as filed RMI templates (CMRT/EMRT/AMRT/STRT) with plausibility checks and documented corrective measures.

12.3.2 Regulations regarding Manufacturing Sites

12.3.2.1 Federal Immission Control Act

In Germany, the construction and operation of plants which, due to their nature or their operations, are particularly suitable for causing harmful environmental impacts or otherwise endangering, considerably disadvantaging or considerably annoying the general public or the neighborhood, require a permit in accordance with the Federal Immission Control Act (*Bundesimmissionsschutzgesetz - BImSchG*), which is supplemented by numerous regulations.

In recent years, the requirements under the Federal Immission Control Act and the underlying Industrial Emissions Directive have been further tightened through updated best available techniques conclusions, lower emission limit values for specific sectors and enhanced monitoring and reporting obligations. Operators of installations covered by the IED are increasingly required to review and, where necessary, upgrade their abatement technologies and environmental management systems in order to remain compliant with evolving 'state of the art' standards.

An immission control permit gives the operator of an installation certain rights and imposes numerous obligations on him at the same time, in particular with regard to compliance with building and environmental law and regulations for the protection of health and safety. Significant changes to an installation require a modification permit, while other changes must only be notified to the authority. If the conditions and obligations contained in the permit are not complied with, the plant may be shut down. Operating an installation without the necessary permit is a criminal offence and may result in heavy fines.

Installations subject to immission control law must be constructed and operated in such a way that harmful environmental impacts and other hazards are avoided, significant disadvantages and considerable nuisance for the general public and the neighbourhood are avoided and appropriate precautions are taken against such impacts. General administrative regulations such as the Technical Instructions for Protection against Noise ("**TA Lärm**") and the Technical Instructions for Air Quality Control ("**TA Luft**") contain (guideline) immission limits and are of great practical importance. Immission control measures must be state of the art. As a result, the operator of the plant is obliged to comply with environmental and technical regulations, rules and standards that develop over time and often become increasingly stringent. If the operator does not comply with this obligations, the competent authority can amend the immission control permit and impose stricter conditions on the operator, e.g. with regard to the immission limit values.

The construction, operation and modification of certain industrial sites with significant (potential) environmental impacts are subject to the provisions of Directive 2010/75/EU of the European Parliament and of the Council of 24 October 2010 on industrial emissions (Industrial Emissions Directive – "IED"), which has been transposed into German law by the BImSchG, the *Wasserhaushaltsgesetz* ("WHG"), the *Kreislaufwirtschaftsgesetz* ("KrWG") and other regulations; but being under revision under the European Green Deal. According to this legislation, operators of IED installations are subject to a strict system of public monitoring and inspections and increased information and documentation requirements. In addition, the legislation provides for even stricter emission limits for certain industrial activities including from galvanic applications and very strict requirements for decommissioning, including necessary remedial measures.

12.3.2.2 Hazardous Incident Ordinance

Operators of plants in which hazardous substances are stored in large quantities may be obliged to comply with additional safety standards in accordance with the Hazardous Incident Ordinance ("**12th BImSchV**"). The aim of the 12th BImSchV is to prevent accidents in connection with hazardous substances (such as emissions, fires and major explosions). The scope of the additional safety requirements depends on which different classes of hazardous substances are stored in the plant and in what quantities. The Hazardous Incident Ordinance is based on Council Directive 96/82/EC of 9 December 1996, the so-called "Seveso II Directive", which was replaced on 13 August 2012 by Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 ("**Seveso III Directive**"). The relevant amendments to the current Seveso regime include additional provisions concerning the authorization procedure, the extension of public participation and information obligations, revised rules on the safety distance between installations and vulnerable objects, revised rules on the classification of dangerous substances and stricter requirements for regulatory supervision. The 12th BImSchV was lastly amended in 2024.

12.3.2.3 Pollutant release and transfer register

Operators of plants that release certain pollutants listed in the Pollutant Release and Transfer Register ("**PRTR**") are subject to certain reporting requirements. The PRTR is based on an international agreement of the United Nations Economic Commission for Europe (UN-ECE) and Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 and applies to certain, normally quite large installations under Article 2 (4) of the PRTR Regulation in which one or more of the activities listed in Annex I are carried out. Germany has implemented the relevant obligations by the Act implementing the Protocol on Pollutant Release and Transfer Registers of 21 May 2003 and implementing Regulation (EC) No. 166/2006 ("**SchadRegProtAG**"). According to the SchadRegProtAG, Germany is obliged to keep a pollutant release and transfer register which is freely accessible to the public. In addition, operators of PRTR facilities are required to report releases to air, water and soil, as well as shipments of hazardous waste and pollutants outside the site. Operators can also publish measures taken or investments made to reduce emissions.

Operators of installations covered by the PRTR Regulation must continuously monitor regulatory developments regarding pollutant lists and reporting thresholds, as changes may extend or intensify their reporting obligations under the SchadRegProtAG. Non-compliance can lead not only to administrative sanctions but also to increased public scrutiny due to the transparency of the PRTR register.

12.3.2.4 Dangerous Goods Transportation Act

In Germany, requirements for the transport of dangerous goods can be found, inter alia, in the Dangerous Goods Transportation Act ("*Gefahrgutbeförderungsgesetz*" - *GGBefG*), the Dangerous Goods Ordinance on the Transport on Road, Rail and Inland Navigation ("*Gefahrgutverordnung Straße, Eisenbahn und Binnenschifffahrt*"), the Dangerous Goods Ordinance on the Transport by Vessel ("*Gefahrgutverordnung für Seetransport*"), the Air Transportation Act ("*Luftverkehrsgesetz*") and the Ordinance for the Appointment of Dangerous Goods Safety Advisors ("*Gefahrgutbeauftragtenverordnung*"). Further requirements for the transport of dangerous goods (e.g. by air) are contained in international dangerous goods

regulations. These regulations require specific organization, training, classification, packaging, marking, labeling and documentation prior to transport and after receipt depending on possible transport risks by the goods shipped.

The violation of these regulations may be sanctioned with a fine or with further national sanctions (e.g. prohibition of transport) in the event of repetitive intentional violation. Regulations on the transport of dangerous goods have not been harmonized completely and, therefore, may differ from country to country.

The regulatory framework for the transport of dangerous goods is subject to frequent amendments in order to align with updated international instruments. Consequently, manufacturers and distributors must regularly review their classification, packaging, labelling and documentation processes and ensure that any involved carriers, freight forwarders and logistics providers comply with the latest requirements under the Dangerous Goods Transportation Act, the relevant dangerous goods ordinances and associated secondary legislation.

12.3.2.5 Federal Water Act

The water regulations are particularly strict, as water protection is very important at both European and national level. At European level, the Water Framework Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 forms the most important legal basis in the field of water law. The Water Framework Directive was transposed into German law by the Federal Water Act ("*Wasserhaushaltsgesetz*" – *WHG*) and the water laws of the federal states.

Operators of water supply systems (e.g. wells, water treatment systems) and producers of wastewater have a general obligation to monitor raw water, i.e. untreated water. The specific requirements are laid down in the Self-Monitoring Ordinance ("*Eigenüberwachungsverordnung*" – "*EÜV*") of the respective German federal state; these requirements are comprehensive and apply to the entire water supply system. The operator's obligation to monitor extends in particular to the maintenance of the faultless technical condition of the various plant components, the detection of sudden changes in the plant and the transmission of operating data recorded by state-of-the-art measuring and inspection devices or measuring equipment.

12.3.2.5.1 Withdrawal and discharge of water

The abstraction, use and discharge of water is regulated. According to the Federal Water Act, certain uses of public waters (including the abstraction of groundwater via wells) require a permit or authorization. The discharge of wastewater into public waters (direct discharge) or into public sewage plants (indirect discharge) is also subject to approval under German law. When issuing permits and authorizations under water law, the competent authority has a wide range of management measures in place. In principle, permits or authorizations may be revoked or amended by the competent authority and are generally issued for a limited period only.

A particular focus is the indirect discharge of industrial wastewater (e.g. wastewater containing solvents or arising from galvanic processes) into public sewer systems, which requires compliance with stringent limit values, pre-treatment obligations and, where applicable, specific permits or approvals issued by the competent municipal utilities or local authorities. Furthermore, the proper segregation, storage, treatment and recovery of production waste, including hazardous waste streams, must be ensured in line with the requirements of the competent Bavarian district administrative authorities.

According to a ruling by the European Court of Justice (C-461/13 of 1 July 2015), the ban on deterioration in the European Water Framework Directive 2000/60/EC must be interpreted as binding legislation and not (only) as a non-binding programmatic objective. As a result, a deterioration in the quality of surface water is inadmissible and may lead to the denial or withdrawal of permits, licenses or other authorizations under applicable water law or special authorizations, unless negative effects on the water status can be completely excluded or prevented by technical measures. The European Court of Justice has established complex criteria to determine the conditions under which the quality of surface water has deteriorated. On this basis, a minor impact on the quality of surface water in general should not be considered a significant deterioration.

12.3.2.5.2 Water protection areas

Operators of plants may be required by official directives to set up water protection areas at certain sites in order to protect the catchment area of drinking water abstraction points. The consequence of such an order is that certain installations and activities are prohibited or subject to approval in these areas in accordance with water protection regulations. Additionally, the German drinking water directive, ("*Verordnung über die Qualität von Wasser für den menschlichen Gebrauch*" – "**TrinkwV**") must be followed.

12.3.2.5.3 Handling of substances hazardous to water

If an operator of plants produces, processes, stores or transports water-polluting substances, i.e. substances that could pollute the water if they were released or spilled, certain regulations also apply here. In Germany, the Federal Water Act and the Ordinance on Installations Handling Substances Hazardous to Water ("*Verordnung über Anlagen zum Umgang mit wassergefährdenden Stoffen*" – "**AwSV**") apply. Even if responsibility for compliance with the legal requirements lies primarily with the operator, systems for storing, filling and handling water-polluting liquids may only be set up and operated with the prior approval of the authority. The legal requirements for the operator include structural and organisational standards as well as notification obligations to the competent authorities. The plants must be continuously modernised to reflect new developments in technical standards. The AwSV came into force in 2017 and summarises the existing national regulations on the handling of water-polluting substances. The AwSV contains stricter safety regulations and increases the administrative effort due to extended notification and monitoring obligations. Furthermore, the principle of the protection of existing plants was abolished with the consequence that plant modifications must be approved by the authorities.

12.3.2.6 German Circular Economy Act

Under the German Circular Economy Act (*Kreislaufwirtschaftsgesetz* – "**KrWG**") and related secondary legislation, the Group is subject to strict obligations regarding the classification, separate collection and preferential recovery of such waste. In particular, electrovac Group must ensure that hazardous waste is collected separately from non-hazardous waste, stored and handled in a manner preventing emissions and accidents, and handed over only to appropriately licensed waste management companies. KrWG is specified in the Bavarian state law regulating the implementation of waste management and recycling in Bavaria.

12.3.3 Other EHS Regulations

The electrovac Group may, in connection with the procurement of certain metals, be subject to Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for EU importers of minerals or metals containing tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. The purpose of Regulation (EU) 2017/821 is to ensure that the trade in such metals and minerals does not contribute to the financing of armed groups, human rights abuses or other serious adverse impacts in conflict-affected or high-risk areas by imposing binding due diligence requirements along the supply chain. It is necessary to continuously monitor legal developments and, where applicable, adapt and further develop the procurement and compliance processes in line with the requirements of this regulation.

Furthermore, the construction, modification and operation of electrovac Group's manufacturing facilities are further subject to building and fire safety regulations at federal state and municipal level.

12.4 Data Protection and Cyber-Security Laws

12.4.1 Data Protection

The General Data Protection Regulation (EU) 2016/679 ("**GDPR**") imposes many requirements for covered businesses (so-called controllers and processors) as regards the processing of personal data. If these principles/requirements are not met and unlawful processing takes place, data subjects can assert their rights under the GDPR and sue for damages. There may also be a threat of proceedings by the supervisory authorities.

Under the GDPR, data controllers must, in particular, prove that they have a legitimate legal basis for the envisaged processing activity. The limitations on the processing of personal data are generally strict and require the data controller to obtain the explicit and voluntary consent from the affected data subjects (i.e., the persons to whom personal data relates), unless the concrete data processing activity is explicitly allowed by European or national law. Furthermore, the GDPR obligates data controllers to fulfil certain data subject rights such as the right of access, erasure and rectification. In addition, both controllers and processors are required to implement appropriate technical and organizational measures to ensure the security of personal data. In this regard, the GDPR takes a risk-based approach with regards to the likelihood and severity of potential impacts on individuals. Moreover, the GDPR contains requirements regarding data breach notifications, the engagement of third parties in connection with a particular processing activity as well as data transfers to countries outside the EU/EEA.

The transfer of personal data outside the EU/EEA must meet special requirements. There must either be an adequacy decision by the EU Commission for the country in which the recipient is located or additional safeguards in accordance with Art. 46 GDPR. This also applies for data transfers between group companies and affiliates. For example, if personal data of individuals located in the EU is to be stored on servers in the United States or China (including Hong Kong), appropriate safeguards must be implemented in accordance with Article 46 GDPR, unless the recipient in the U.S. is certified under the EU-U.S. Data Privacy Framework, a so called "adequacy decision", dated July 10, 2023 (Art. 45 GDPR allows the transfer of personal data on the basis of an adequacy decision).

Any person who has suffered material or non-material damage as a result of an infringement of the GDPR shall have the right to obtain compensation from the controller or processor for the

damage suffered. The data subjects may therefore bring an action for damages before the civil courts. In May 2023, the European Court of Justice ruled that no materiality threshold is to be observed and thus also allows for “trivial cases”. In addition to legal action in the civil courts, administrative proceedings can also be brought before the supervisory authorities. These can either carry out an inspection of the company on their own initiative or because someone, e.g. a data subject, has issued a notification. Infringements of the provisions of the GDPR can lead to substantial fines of up to EUR 20 million or up to 4% if the total worldwide annual turnover of the preceding financial year, whichever is higher. Strictly adhering to the GDPR is therefore important for any company operating within its framework.

Each supervisory authority has the corrective powers to impose a temporary or definitive limitation including a ban on processing. In this case, the data processing that is not lawful in the opinion of the supervisory authority must be stopped accordingly. Depending on the circumstances, this can cause the entire operation of a company to come to a standstill.

The national data protection laws of Member States (e.g., the German Federal Data Protection Act (*Bundesdatenschutzgesetz* –“BDSG”)) and certain sections of the German Social Security Code (*Sozialgesetzbuch* - “SGB”) supplement the GDPR. In most cases, they do not raise the overall protection standards. However, there may be particularities regarding the processing of health data (e.g., in Germany and France).

12.4.2 Cyber-Security

At the level of the European Union, there is an evolving framework on cyber security and resilience of networks, information systems, and products with digital elements.

This also includes Regulation (EU) 2024/2847 of 23 October 2024 (“**Cyber Resilience Act**”) entering into force in 2024 but becoming fully applicable in December 2027 and laying down rules for the making available on the market of products with digital elements to ensure the cybersecurity of such products, essential cybersecurity requirements for design, development and production as well as for the vulnerability handling processes put in place by manufacturers and lastly rules on market surveillance. The Cyber Resilience Act applies to products with digital elements made available on the market, the intended purpose or reasonably foreseeable use of which includes a direct or indirect logical or physical data connection to a device or network.

The Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on Network and Information Security (“**NIS2**”) with its transposition into German law as of December 2025 by NIS2-Umsetzungsgesetz significantly strengthens the European Union Member States’ cybersecurity posture, aiming to enhance overall resilience and incident response capabilities in both public and private sectors. The directive will require companies in critical sectors (including also manufacturers of electrical equipment for motor vehicles and in defense-related sectors) to implement robust measures to secure their network and information systems. This includes safeguarding against cyberattacks and ensuring the availability, integrity, and confidentiality of data, as well as establishing comprehensive emergency and recovery plans. Non-compliance may result in fines determined by individual Member States; however, mandatory penalties are set at a maximum of 2% of the total worldwide annual turnover for essential entities, and the maximum of 1.4% of the total worldwide annual turnover for important entities.

In addition, German type-approval and automotive regulatory frameworks increasingly integrate cyber security and software update requirements, in particular through the implementation of UNECE Regulation No. 155 (Cyber Security and Cyber Security Management System) and UNECE Regulation No. 156 (Software Update and Software Update Management System) into European and German type-approval rules. These regulations require manufacturers of vehicles and, indirectly, their suppliers to implement robust cyber security management systems and processes throughout the vehicle and component lifecycle, including risk assessment, incident management and secure software update mechanisms.

Beyond binding legal obligations, the Group's customers, in particular automotive OEMs and Tier-1 suppliers, increasingly expect compliance with specific cyber security standards and best practices, which may become de facto requirements for market access.

12.5 Intellectual Property Laws

The electrovac Group's business depends materially on its intellectual property and confidential know-how. The Group's IP portfolio primarily comprises patents, registered trademarks, technical know-how, confidential product and process information, and related documentation and software.

At European Union level, trademarks and other registrable rights are governed in particular by the EU Trade Mark Regulation (EU) 2017/1001 and the Community Design Regulation (EC) No 6/2002, as well as Directive 2004/48/EC on the enforcement of intellectual property rights. Protection of trade secrets and other confidential business information is based on Directive (EU) 2016/943 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure, as implemented in Germany by the German Act on the Protection of Trade Secrets (*Geschäftsgeheimnisgesetz* – "*GeschGehG*").

In Germany, the German Trade Mark Act (*Markengesetz* – "*MarkenG*"), the German Patent Act (*Patentgesetz* – "*PatG*"), the German Utility Model Act (*Gebrauchsmustergesetz* – "*GebrMG*"), the German Design Act (*Designgesetz* – "*DesignG*"), and the German Copyright Act (*Urheberrechtsgesetz* – "*UrhG*"), together with general civil law principles under the BGB, are most relevant. Acts of unfair competition and certain types of trade secret misappropriation or product imitation may additionally be addressed under the German Act Against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb* – "*UWG*") and, in severe cases, may give rise to criminal liability under the German Criminal Code (*Strafgesetzbuch* – "*StGB*").

In Germany, the Act on the Protection of Trade Secrets (*Geschäftsgeheimnisgesetz* – "*GeschGehG*"), which transposes Directive (EU) 2016/943 on the protection of undisclosed know-how and business information into national law, requires companies to implement reasonable steps to protect their trade secrets, such as defining responsibilities for the protection of trade secrets, restricting access to confidential information, implementing password and virus protection, encrypting data, entering into confidentiality agreements, and providing employee trainings. The establishment of such security measures is crucial as only the information included in such measures are protected under the *GeschGehG* against unauthorized access and trade secrets infringements by third parties. In addition, management would be exposed to liability risks if it has not undertaken reasonable steps to protect the company's trade secrets.

12.6 Competition Law, Investment Control

The electrovac Group is subject to competition and antitrust laws globally, in particular the German Act against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen* – “GWB”) as well as related EU legislation and guidance. These rules govern, among others, agreements with customers and suppliers, information exchange, pricing practices, as well as potential abuses of market power.

Competition law in the broader sense comprises all legal provisions aimed at protecting undistorted and free competition, while antitrust law focuses in particular on prohibiting anti-competitive agreements and abuses of a dominant position. National and supranational authorities, such as the German Federal Cartel Office (Bundeskartellamt) and the European Commission, monitor compliance with these rules and may initiate investigations and proceedings into alleged infringements. Breaches of competition and antitrust laws can result in serious consequences, including the nullity of agreements, substantial administrative fines, skimming-off of economic benefits, exclusion from public tenders, and civil claims for damages (including follow-on actions). In addition, authorities may impose remedies, limitations or conditions on acquisitions, cooperation projects or certain business practices if a company was found to hold a dominant position in a relevant market or to be otherwise non-compliant with applicable competition and antitrust regulations.

Investments in the Company by foreign investors exceeding certain thresholds may be subject to review under applicable investment control regimes, in particular the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz* – “AWG”) and the German Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung* – “AWV”). The competent authority reviewing and approving such investments is the Federal Ministry for Economic Affairs and Climate Action (*Bundesministerium für Wirtschaft und Klimaschutz* – “BMWK”).

12.7 Anti-Corruption and Money-Laundering Laws

The electrovac Group is subject to a broad range of laws and regulatory obligations relating to anti-corruption, anti-bribery and anti-money laundering (“**AML**”) in Germany and other jurisdictions in which it operates. These laws generally prohibit companies and their intermediaries from offering, promising, authorizing or making, directly or indirectly, any improper payments or other advantages to public officials or private counterparties in order to obtain or retain business or any other undue advantage. AML obligations generally prohibit the direct or indirect involvement in the placement, layering or integration of illicit assets into the legitimate financial system, including the concealment or disguise of the criminal origin of assets. Applicable AML laws typically prohibit, among other things, (i) concealing, disguising, converting, handling or transferring criminal property, (ii) removing criminal property from a country, (iii) entering into, or becoming concerned in, an arrangement which a person knows or suspects to be related to the acquisition, retention, use or control of criminal property, and (iv) acquiring, using or possessing criminal property.

Under German criminal law, companies and their representatives must in particular comply with provisions on corruption and bribery involving public officials (Sections 332, 334 StGB), on commercial bribery in the private sector (Section 299 StGB), and on the granting and acceptance of benefits and bribes in connection with breaches of official duties (Sections 331, 333 StGB). These provisions may, under certain circumstances, also apply to conduct occurring

wholly or partly outside Germany. Similar anti-corruption, anti-bribery and AML regimes exist in jurisdictions outside Germany.

Actual or alleged violations of applicable anti-corruption, anti-bribery or AML laws or related compliance obligations could result in criminal or administrative sanctions, material monetary penalties, civil liability, debarment or exclusion from public procurement, and/or requirements to curtail, restructure or cease parts of our operations. Any such proceedings or investigations could also lead to significant legal and compliance costs, adversely affect our reputation with customers, suppliers, financing partners and other stakeholders, and negatively impact our business, financial condition and results of operations.

12.8 Economic Sanctions and Export Control

Economic sanctions are trade restrictions that can be implemented against targeted individuals, groups, countries or economic sectors/industries. Economic sanctions generally comprise restrictions or prohibitions on trade in specified goods and services, arms and related technology embargoes, asset freezes, and prohibitions on making funds or economic resources available, directly or indirectly, to or for the benefit of legal persons, entities or bodies included on economic sanctions lists. The EU, the UK and the U.S. have imposed economic sanctions against or in relation to specific countries and regions, including, but not limited to Russia, Belarus, Iran and Syria.

The EU, the UK as well as several different US agencies, including the US Department of Commerce, administer laws that govern the export and other forms of transfer of goods, software and technology, and related services, that could have military or dual-use implications. For example, Council Regulation (EU) No. 2021/821 (EU Dual-Use Regulation) which is directly applicable in all EU Member States regulates the export, transit, brokering and technical assistance of dual-use items; i.e. items that can have a civilian or military use. German export control law is in addition governed primarily by the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*, “**AWG**”) and the Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*, “**AWV**”).

Consequently, under these economic sanctions and export control laws, national competent authorities may restrict companies from engaging in certain business activities or require licenses for certain transactions. Any violation of these laws and regulations could lead to a loss of export privileges, fines, and in some cases, criminal penalties.

13. GENERAL INFORMATION ABOUT THE COMPANY

13.1 Registered Office, Financial Year, Corporate Purpose

The Company is a German stock corporation (*Aktiengesellschaft*) and was incorporated by means of a notarial deed of incorporation (*Gründungsurkunde*) dated 23 January 2018 (Roll of Deeds No. B 0086/18 of the notary public Gottfried Braun, Passau, Germany) as a so called shelf-company (*Vorratsgesellschaft*) with a registered share capital of EUR 100,000. The founder of the Company is Electrovac Holding AG with its business address at (c/o BDO AG), Grabenstrasse 40, 7000 Chur, Switzerland. The formation of the Company became legally effective by registration in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Passau on 26 January 2018 under the registration number HRB 10281, which is also still the current registration number.

The Company as well as its subsidiaries and associated companies primarily operate under the commercial name "electrovac".

The Company's registered office is at Anglstraße 4, 94121 Salzweg, Germany (telephone +49 (0) 851 491-149), LEI 5299008TJ4LODTQQNQ85. The internet address of the Company is www.electrovac.com.

Pursuant to sections 3.1 and 3.2 of the Company's articles of association adopted by the Company's extraordinary shareholders' meeting on 10 April 2026, the Company's business activities include the development, manufacture, and sale of hermetic enclosures, glass-to-metal feedthroughs, other specialty components, contact elements, turned and milled parts, and surface finishing.. The Company may pursue its corporate purpose directly or through group companies or affiliated companies, including joint ventures. The Company is authorized to engage in all business transactions and measures that appear necessary or useful for the promotion of its corporate purpose. It may acquire and dispose of developed and undeveloped real estate as well as rights equivalent to real estate. The Company is further authorized to establish, acquire, and invest in other companies in Germany and abroad; it may consolidate companies in which it holds an interest, in whole or in part, under a single management, limit itself to the administration of such investments in whole or in part, and realize them through sale or by other means. It may also transfer its operations, in whole or in part, to companies in which it holds an interest. The Company is authorized to establish and close branches both domestically and abroad. It is also authorized to enter into business contracts of any kind.

13.2 Creation and Historical Development of the Company

On 23 January 2018, the Swiss Electrovac Holding AG founded the Company with a capital stock of EUR 100,000.00 and the registered office in Salzweg, Germany. On 26 January 2018 the Company was registered with the Commercial Register of the District Court of Passau under HRB 10281.

Based on resolutions of its Shareholder's Meeting (*Hauptversammlung*) dated 22 March 2018 and 7 May 2018 and corresponding contribution agreements dated 22 March 2018 with economic effect as of 31 March 2018, the Company had assigned all shares in the operating companies

- "electrovac germany GmbH", former "Electrovac Hacht und Huber Gesellschaft mit beschränkter Haftung" with registered office in Salzweg, Germany, and
- "electrovac austria GmbH", former "Electrovac Metall-Glaseinschmelzungs GmbH" with registered office in Klosterneuburg, Austria

as well as in the sales companies

- "ELECTROVAC FRANCE SAS" with registered office in Rungis, France, and
- "Electrovac Japan KABUSHIKI KAISHA" with registered office in Saka-fu, Suita-shi, Japan

from its parent company Electrovac Holding AG by way of a contribution in kind.

At the same time and in the same manner, it took over all limited partner's shares in

- "electrovac components GmbH & Co. KG", former "Beutlhauser GmbH & Co. KG" with registered office in Freyung, Germany (the limited partnership owns all shares in its general partner "electrovac components Verwaltungs GmbH")

from Christoph and Michael Beutlhauser.

13.3 Group structure

The contributed entities have a long history, going back more than 70 years:

1947 Foundation in Vienna, Austria

Mr Werner von Hacht and Dr Hans Huber founded the first enterprise that gradually evolved into today's electrovac Group.

1961 Foundation of electrovac germany GmbH, Salzweg, Germany

In 1961, electrovac germany GmbH was founded as Electrovac Hacht und Huber Gesellschaft mit beschränkter Haftung in Salzweg, Germany. In 1962 the second production plant, operated by Electrovac Hacht und Huber GmbH, was opened. In 2025 the company name was changed to electrovac germany GmbH.

2000 Foundation of electrovac austria GmbH

electrovac austria GmbH was founded in 2000 as Metall-Glaseinschmelzungsaktiengesellschaft, Klosterneuburg, in 2001 transformed into Electrovac Metall-Glaseinschmelzungs GmbH and in 2025 renamed to electrovac austria GmbH.

2006 Foundation of the sales office ELECTROVAC FRANCE SAS

2010 Acquisition of Electrovac Hermetic Packages division, comprising of electrovac germany GmbH, electrovac austria GmbH and ELECTROVAC FRANCE SAS, by Electrovac Holding AG (then: BC-Tech HOLDING AG)

2011 Foundation of the sales office Electrovac Japan KABUSHIKI KAISHA, Osaka, Japan

2012 Foundation of the sales office Electrovac USA Inc., New York, USA

2015 Foundation of Electrovac (Thailand) Co. Ltd., Rayong, Thailand

In 2015, electrovac Germany GmbH (former Electrovac Hacht und Huber Gesellschaft mit beschränkter Haftung) founded Electrovac (Thailand) Co. Ltd. in order to better serve the Asian markets.

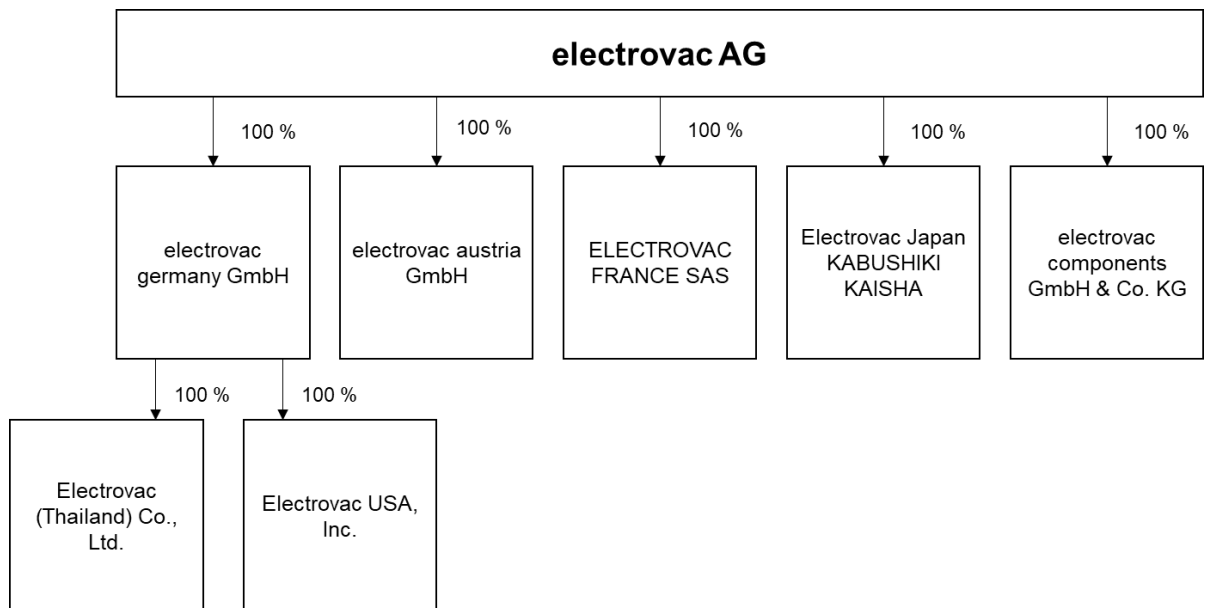
2018 Foundation of electrovac AG, Salzweg, Germany

In 2018 electrovac AG was founded and the shares of electrovac components GmbH & Co. KG, ELECTROVAC FRANCE SAS, Electrovac Japan KABUSHIKI

KAISHA, electrovac germany GmbH and electrovac austria GmbH were contributed to the Company by way of a contribution in kind.

The Company is the group parent company of an organisation which includes a total of seven direct or indirect subsidiary companies, being controlled solely by the Company.

The following chart provides an overview of the current structure of the electrovac Group:



The particular group companies can be described as follows:

a) electrovac germany GmbH

electrovac AG is the sole shareholder of electrovac germany GmbH (limited liability company) with registered office in Salzweg, Germany, which was founded by Werner von Hacht and Dr. Hans Huber in 1961 under the company name Electrovac Hacht und Huber Gesellschaft mit beschränkter Haftung. The Company is registered with the commercial register of the District Court of Passau under no. HRB 4015. The share capital of this company amounts to Deutsche Mark 2,554,000.00 and has not yet been converted to Euro. The Managing Directors are Dieter Thumfart and Alfred Christian Füllgraf. The business purpose of electrovac germany GmbH is “Production and installation of objects of all kinds in the field electrical engineering and ceramics, especially hermetic executions, trade in these objects including import and export, execution of all legal transactions”.

b) Electrovac (Thailand) Co., Ltd.

electrovac germany GmbH established Electrovac (Thailand) Co., Ltd. (hereinafter also referred to as “**Electrovac Thailand**”) being registered with the Company & Partnership Registration Office, Bangkok under Registration Number 0195558000669 since 2 April 2015. Its head office is located in Rayong, Thailand. Its registered capital amounts to THB 60,000,000.00 (sixty million Baht). Electrovac germany GmbH holds 599,998 of the

total 600,000 shares with a par value of 100 Baht each. The Thai subsidiary has 3 directors: Dieter Thumfart, Rainer Matzka and Nuttavut Boonpumikosol who is also the general manager. The main business purpose of Electrovac Thailand is the production of airbag igniter headers for customers in the Asian market.

c) Electrovac USA, Inc.

In April 2012 electrovac germany GmbH founded Electrovac USA, Inc., a stock corporation incorporated under the laws of Delaware (Department of State: Division of Corporations, file number 5141187), as a sales company for the US market operating from New York. The Board of Directors consists of Dieter Thumfart and Rainer Matzka. Of the 5,000 authorized shares without par value, electrovac germany GmbH holds all ten shares issued so far, which it acquired in consideration of USD 1,000.00.

d) electrovac austria GmbH

The Company is the sole shareholder of electrovac austria GmbH, which was founded as Electrovac Metall-Glaseinschmelzungs GmbH in Klosterneuburg, having its registered office in Klosterneuburg, Austria, and being registered with the commercial register of the regional court of Korneuburg, Austria, under FN 191272 h. The share capital of the aforementioned company amounts to EUR 70,000.00. The managing directors are Dieter Thumfart and Rainer Matzka. The business purpose of electrovac austria GmbH is the development, production, distribution and sale of glass-to-metal compounds, in particular glass-to-metal seals and their components as well as their production devices and production equipment.

e) ELECTROVAC FRANCE SAS

The Company is also the sole shareholder of ELECTROVAC FRANCE SAS, having its registered office in Rungis, France, being registered with the Paris Commercial Court, France under 490284486. The share capital of the aforementioned company amounts to EUR 25,000.00. The business purpose of ELECTROVAC FRANCE SAS is the “development, marketing and commercial distribution of special electrotechnical and ceramic parts”. Managing Director is Mr José Belda.

f) Electrovac Japan KABUSHIKI KAISHA

Further, the Company holds all shares in Electrovac Japan KABUSHIKI KAISHA that was founded in April 2011, having its registered office in Osaka, Japan and being registered with the register of companies of Osaka, Japan, under 120901018876. The share capital of this company amounts to JPY 5,000,000.00. The business purpose of Electrovac Japan KABUSHIKI KAISHA is “production and distribution of glass-to-metal seal and all activities related to the aforementioned business”. Managing director is Mr Harunobu Yano.

g) electrovac components GmbH & Co. KG

The Company holds 100% of the shares in electrovac components GmbH & Co. KG which has its registered office in Freyung and its business premises in Salzweg. This limited partnership (*Kommanditgesellschaft*) is registered with the District Court of Passau under HRA 12010 and was founded as Beuthhauser GmbH & Co. KG. The limited partnership contribution has been totally assumed by the Company and amounts to EUR 62,000.00.

Pursuant to the articles of electrovac components GmbH & Co. KG, its business purpose is the industrial production and sale of moulded and special metal pins as well as metal processing in general. The limited partnership holds all shares in its managing general partner, electrovac components Verwaltungs GmbH, Salzweg (commercial register of the District Court of Passau under HRB 7310; share capital of EUR 25,500.00) which was founded as Beutlhauser Verwaltungs GmbH. Managing directors of the managing general partner are Michael and Christoph Beutlhauser.

14. CORPORATE BODIES

The Company's corporate bodies are the Management Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the Shareholders' Meeting (*Hauptversammlung*). The competences assigned to these bodies are governed by the German Stock Corporation Act, the Company's Articles of Association and the internal regulations for the Management Board and the Supervisory Board.

14.1 Overview

The Management Board manages the Company in accordance with the law, the Company's Articles of Association, the internal regulations for the Management Board and Supervisory Board, as well as in accordance with the resolutions passed by the Shareholders' Meeting and a possible schedule of responsibilities. It represents the Company in its relations with third parties. The Management Board's task is to ensure that a risk management and internal monitoring system are implemented and operated within the Company, so that the Company can be made aware of threatening developments as soon as possible. The Management Board is obliged to report to the Supervisory Board. The Management Board is specifically obligated to report to the Supervisory Board in a regular, timely fashion and in a way which encompasses the intended business policies and other fundamental questions relating to corporate planning, the Company's profitability, the course of the business and the transactions which may be of particular significance to the Company's profitability or solvency. The Management Board must also explain business deviations from the established plans and goals, together with the reasons for the same. In addition, the most significant events must be reported to the chairperson of the Supervisory Board. Furthermore, the Supervisory Board may, at any time, ask for a report on the Company's affairs. It can be – and is – stipulated in the internal regulations for the Management Board that, for certain transactions, the Management Board requires the approval of the Supervisory Board. The Supervisory Board is authorized to increase or reduce the sphere of transactions requiring authorization.

The members of the Management Board are appointed and dismissed by the Supervisory Board. Occupying positions simultaneously on the Management Board and the Supervisory Board is fundamentally prohibited. The Supervisory Board is responsible for monitoring the Management Board in its management of the Company. According to the German Stock Corporation Act, the Supervisory Board is not authorized to carry out management functions.

The members of the Management Board and the Supervisory Board are charged with fiduciary and due diligence duties for the Company. It should also be noted that the members of these corporate bodies have to take into account a wide range of interests, specifically in the Company, its shares, employees and creditors. The Management Board must specifically consider the rights of the shareholders to enjoy equal treatment and even distribution of information.

Under German law, it is prohibited for individual shareholders (just like any other person) to use their influence over the Company to cause a member of the Management Board or the Supervisory Board to take any action which may be detrimental to the Company. Shareholders with a controlling influence must not use their influence in such a way as to cause the Company to violate its own interests, unless said violation is balanced out by the benefits resulting from the same. Any person who willfully, by using their influence over the Company, causes a member of the Management Board or the Supervisory Board, an authorized signatory or a holder of a commercial power of attorney, to cause damage to the Company or its shareholders, is obligated to compensate the Company or its shareholders for the damage caused by their actions.

If the members of the Management Board or the Supervisory Board violate their obligations, the same will be generally and severally liable to compensate the Company for the damage caused. The Company has taken out a directors & officers' insurance policy for the members of the Management Board and of the Supervisory Board. Compensation claims made by the Company can also be legitimately made by shareholders in their own name, after said shareholders, whose shares amount to 1% of the Company's share capital at the time of the request or who have made a contribution proportional to EUR 100,000.00, have successfully prepared a proceeding to obtain a declaration of admissibility. The Company may withdraw a claim or negotiate a settlement only after three years have elapsed since the claim was made and only in respect of claims for damages brought against members of the corporate bodies, subject to the adoption of a resolution to that effect by a simple majority of the shareholders at the Shareholders' Meeting and provided that the minutes record no objection by a minority of shareholders whose joint holdings amount to, or exceed, 10% of the share capital.

14.2 Management Board

14.2.1 Voting, Structure and Representation

In accordance with the Company's Articles of Association, its Management Board may be made up of one or several persons. The number of board members and substitute members is stipulated by the Supervisory Board. The Supervisory Board may appoint a member of the Management Board to be the chairperson of the same as well as appointing deputy chairs of the board. The members of the Management Board shall be appointed by the Supervisory Board for a maximum term of five years. Re-appointment or extension of this term, specifically for another five year period, is permitted. The Supervisory Board may revoke the appointment of a member of the Management Board if there is a significant reason for doing so, such as gross misconduct, or if the Shareholders' Meeting withdraws its confidence in the Management Board.

The Supervisory Board adopted internal regulations for the Issuer's Management Board.

Resolutions made by the Management Board – so long as there is no explicit rule dictated by the law, the Articles of Association or rules of procedure – will be passed by a simple majority of the votes cast. If the Management Board is made up of two members, votes must be unanimous. In the event of a tied vote, the resolution will be deemed as not having been passed. In this case, each member of the Management Board is entitled to submit the subject of the resolution to the Supervisory Board to ask its opinion.

If only one member of the board has been appointed, this member alone will represent the Company. If the Management Board is made up of more than one member, the Company will be represented by two members of the board or by one member of the same in conjunction with an

authorised signatory. The Supervisory Board may grant all members or individual members of the Management Board the authority to represent the Company alone and/or grant exemption from the prohibition on multiple representation pursuant to Sec. 181 of the German Civil Code.

14.2.2 Current Members

Currently (since 26 January 2018) Mr Dieter Thumfart is the only member of the Management Board.

Dieter Thumfart (* 21 October 1968):

After studying Technical Physics, Mr Thumfart joined the electrovac Group in 1993 as an engineer in the R&D department. He was working on the development of new products for the electrovac Group. In 1996, he won the Austrian State Prize for Innovation for the electrovac Group with a newly developed oxygen sensor. He held various management positions in the electrovac Group, such as production manager, head of application technology and quality management and technical director until he became managing director of electrovac austria GmbH in 2006. In 2008 he was also appointed managing director of electrovac germany GmbH and from that time on he headed the Glass-to-Metal Sealing business together with a second managing director. In particular, he was responsible for managing the international key customers, for business development and for all technical issues including production and development. In 2008, Mr Thumfart completed a post-graduate program in management with a master's degree.

In 2008, he was part of the management team that built up a subsidiary of the former parent of part of the current electrovac Group. In 2015, Electrovac Thailand was founded and Mr Thumfart was responsible for setting up the organization, management team and the manufacturing equipment.

When the Company was founded in January 2018, Mr Thumfart was appointed chairman of the Management Board. He was appointed to that position as of 23 January 2018 and is currently appointed until 31 January 2031.

Mr Thumfart did not carry out any role over the last five years as a member of the administrative, management or supervisory body or as a partner (i.e. a member of a business partnership) in companies outside the electrovac Group.

The CEO can be contacted at the Company's registered address, at Anglstraße 4, 94121 Salzweg.

14.2.3 Service Contract and Remuneration

Mr Thumfart's service contract with the Company dated 23 January 2018 came into force as from 1 October 2018 and is valid until 31 March 2031. The current service contract does not provide for any specific benefits in the event the employment is terminated. Furthermore, there are no service agreements between Mr Thumfart and the Company or its subsidiaries which provide for benefits in the event that the service relationship is terminated.

Mr Thumfart's remuneration consists of a fixed salary and a performance-related remuneration, the latter being paid out over a 3 year period. Mr Thumfart is entitled to a company car. Please also refer to Section 14.8 regarding the IPO Bonus for Mr Thumfart.

In the financial year 2025/2026, Mr. Thumfart received the following remuneration from the electrovac Group:

	Fix (EUR)	Variable (EUR)	Total (EUR)
Dieter Thumfart	260,000.00	165,478.00	425,478.00

The fixed remuneration has increased to EUR 310,000.00 p.a. as of the financial year 2026/2027.

The Company has made no reserves or provisions for pension payments or similar entitlements regarding Mr Thumfart, with the exception of any part of the performance-related remuneration not yet paid to Mr Thumfart. There are no corresponding commitments at present.

14.2.4 Credits, Shareholdings, other Legal Relationships and Conflict of Interests

No loans were granted to the members of the Management Board in the financial year 2025/2026.

There are no potential conflicts of interests between the members of the Management Board's personal interests or other obligations in relation to their obligations towards the Company.

No sanctions have been brought against the members of the Management Board in the last five years due to violation of domestic or foreign provisions applicable to criminal or capital market law. Specifically, no convictions relating to fraudulent offences have been brought against them. The members of the Management Board were not involved in any bankruptcy or insolvency proceedings or liquidations in the last five years. No public accusations have been made against them, nor have any sanctions been brought against them by legal authorities or regulatory agencies (including designated professional bodies), nor have they ever been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or from conduct of the affairs of any issuer.

There are no family connections between the members of the Management Board or between the members of the Management Board and the members of the Supervisory Board or the Senior Management.

14.3 Supervisory Board

14.3.1 Composition, Resolutions and Committees

The Supervisory Board is made up of three members, who are elected by the Shareholders' Meeting. Unless the Shareholders' Meeting decides on a shorter period of time during its election, the members of the Supervisory Board and any substitute members shall be appointed in accordance with the Company's Articles of Association by the end of the Shareholders' Meeting in question, which decides on ratifying the acts decided by the Supervisory Board for the fourth financial year following the start of the term in office; the financial year in which the term of office begins does not count. Re-election is permitted, including multiple re-elections. The Shareholders' Meeting can, with the election of members of the Supervisory Board, simultaneously appoint substitute members who will succeed to the Supervisory Board if a member of said board prematurely withdraws without a successor being appointed. If a substitute member takes the

place of a withdrawing member of the Supervisory Board, said substitute member's term shall expire at the end of the next Shareholders' Meeting following his/her accession to office. If no substitute election takes place in the next Shareholders' Meeting, the term of office will be extended until the end of the term of the member of the Supervisory Board who withdrew. Substitute elections shall be for the remaining term of office for the member who withdrew. Pursuant to Sec. 100 of the German Stock Corporation Act, a member of the Supervisory Board may not be someone who already (i) is the member of a supervisory board in 10 commercial companies which are legally obligated to form a supervisory board, (ii) is a legal representative of an enterprise which is controlled by the Company, (iii) is a legal representative of another stock corporation on whose supervisory board a member of the Company's Management Board sits, or someone who, (iv) in the last two years, was a member of the Management Board of the Company, unless the same was appointed at the suggestion of shareholders holding more than 25% of the Company's voting rights. According to the Articles of Association, each member of the Supervisory Board can turn down its term of office by submitting a written declaration to the chair of the Supervisory Board or the Management Board with a notice period of one month. The chair of the Supervisory Board can agree to a shortening of the notice period. If there is good cause to do so, a member may resign without giving notice.

At its first meeting following its elections, the Supervisory Board will choose a chairperson and vice-chairperson from amongst its members. The term of office for the chairperson and vice-chairperson corresponds to their terms of office as a member of the Supervisory Board. If the chairperson or the vice-chairperson resigns before the end of their term of office, the Supervisory Board shall immediately hold a re-election to appoint a replacement for the retired chairperson or vice-chairperson.

Pursuant to Sec. 110 of the German Stock Corporation Act, the Supervisory Board must hold two meetings per half calendar year. Calling meetings of the Supervisory Board is the responsibility of the chair or the vice-chair of the Supervisory Board. The Supervisory Board is quorate if all its members have been invited and at least three members take part in the meeting. A member can also take part in making a resolution if said member abstains from the vote, or has a written vote submitted on its behalf by another member of the board or by persons who are not part of the Supervisory Board and who have been authorized to do so by said member.

Resolutions passed by the Supervisory Board are taken at meetings. Outside meetings, resolutions can be taken by way of written, electronic (fax, e-mail) or telephonic vote or a combination of these methods of voting if no member of the Supervisory Board objects to this procedure.

Resolutions of the Supervisory Board are adopted by a simple majority. In the event of a tied vote, the vote of the chair of the Supervisory Board will be the deciding vote.

According to the Company's Article of Association, the Supervisory Board shall be entitled to issue internal regulations. The Supervisory Board issued such internal regulations.

The Issuer's Supervisory Board did not form any committees.

14.3.2 Current Members of the Supervisory Board

The names and primary activities of the current members of the Issuer's Supervisory Board are as follows:

Name	Primary activities outside the electrovac Group
Christian Fürst (chairman)	Z.I.E.L. management consulting GmbH
Oliver Mühlberger	HSM Rechtsanwälte
Martin Wösner	ASWR Wösner & Asen Steuerberatungsgesellschaft mbH & Co. KG

The members of the Supervisory Board have been initially appointed on 23 January 2018. The terms of office of each of the members of the Supervisory Board after extension end in 2030.

14.3.3 Curricula Vitae

Christian Fürst (* 1 September 1964):

Mr Fürst started his career as a banker with Sparkasse Passau in 1984 and completed his degree in economics at the polytechnic of Regensburg in 1991. He worked for 2 years with PST Software in the IBM AS 400 field as a consultant in Munich and for 2 years as consultant manager in Auckland, New Zealand. After 3 years as chief financial officer of a German manufacturing company in the packaging industry, he started his own consulting company in 2000 with the main focus on financing, strategy and training. Mr Fürst took over several Interim CFO positions and has several investments in SMEs.

The following overview shows the roles carried out by Mr Fürst over the last five years as a member of the administrative, management or supervisory body or as a partner (i.e. a member of a business partnership) in companies outside the electrovac Group:

Company	Role	From - to
Eberspächer Gruppe GmbH & Co.KG, Esslingen	Member of the advisory board	2014 – present
Fürst Reisen GmbH & Co. KG	CEO	2019 – present
InTiCa Systems AG, Passau	Member of the supervisory board	2010 – present
Z.I.E.L. management consulting GmbH	Managing Director	2004 – present

Oliver Mühlberger (* 17 June 1971):

Mr Mühlberger graduated in 1998 in economics and law in Passau and Munich. During his first professional years he worked for an international accounting company and freelanced scientifically for various insolvency administrators. In 2001 Mr Mühlberger started his own business as a partner of HSM Rechtsanwälte and was appointed as insolvency administrator at various Bavarian courts until today. Mr Mühlberger specialised on tax law and insolvency law. In 2008 Mr Mühlberger took a partnership position at emcon Steuerberatungsgesellschaft, which operates now as HSM Steuerberatungsgesellschaft GmbH. Mr Mühlberger has wide experience in the fields of (re-)structuring companies in various industries.

The following overview shows the roles carried out by Mr Mühlberger over the last five years as a member of the administrative, management or supervisory body or as a partner (i.e. a member of a business partnership) in companies outside the electrovac Group:

Company	Role	From - to
HSM Rechtsanwälte	Partner	2008 - present

Martin Wösner (* 22 May 1971):

Mr Wösner completed his degree in economics at the University of Passau in 1994. After successfully passing his tax consultancy exams, he founded a tax consultancy firm in Passau. In 2008 he founded a new tax advisory firm, the ASWR group, with branches in Passau, Munich, Regensburg, Landshut and Deggendorf with up to 80 employees. From 2006 to 2010 Mr Wösner has been the chairman of the supervisory board of Aggretech AG, Ruhstorf. Mr Wösner has an outstanding knowledge of tax affairs and over 20 years experience in consulting.

The following overview shows the roles carried out by Mr Wösner over the last five years as a member of the administrative, management or supervisory body or as a partner (i.e. a member of a business partnership) in companies outside the electrovac Group:

Company	Role	From - to
ASWR Wösner & Partner Steuerberatungsgesellschaft mbH & Co.KG	Partner	Longer than 6 years - present
HSM Steuerberatungsgesellschaft mbH	Managing Director	Longer than 6 years - present

14.3.4 Remuneration

Pursuant to Article 20 of the Company's Articles of Association, the Shareholders' Meeting resolves upon the amount of the remuneration of the members of the Supervisory Board. If a person is a member of the Supervisory Board only for part of a financial year, remuneration is determined for a proportionate period of time (*pro rata temporis*). In addition, every member of the Supervisory Board is entitled to reimbursement for expenses incurred in performing the duties of its office.

The members of the Supervisory Board are entitled to the following remuneration in their role as Supervisory Board members: The Chairman of the Supervisory Board EUR 42,000.00 p.a. and the other members EUR 36,000.00 p.a. Please also refer to Section 14.8 regarding the IPO Bonus for the members of the Supervisory Board.

In addition, they (directly or indirectly) received remunerations (including expenses) based on consultancy agreements with the electrovac Group (please refer to Section 14.3.6 below) in the period from 1 April 2021 until 31 December 2025 as follows:

- Christian Fürst: 19,594.74 EUR (Company)
- Martin Wösner: 44,706.70 EUR (Company); 12,143.96 EUR (electrovac germany GmbH), 26,837.26 EUR (electrovac components GmbH & Co. KG)
- Oliver Mühlberger: 29,914.80 EUR (electrovac components GmbH & Co. KG)

These remunerations have been approved by the Supervisory Board and as a precautionary measure have also been approved by the Company's shareholder meeting.

The service agreements with the members of the Supervisory Board (or their respective consulting companies) do not provide for any special compensation upon the termination of their service. In particular, no pension or retirement benefits are granted. Furthermore, all service agreements have been terminated as of 31 March 2026 at the latest. HSM Rechtsanwälte and Oliver Mühlberger as attorney-at-law are only retained for court proceedings, while ASWR Wösner & Partner Steuerberatungsgesellschaft mbH & Co.KG and Martin Wösner continue to assist with certain tax filings for companies of the electrovac Group.

14.3.5 No Sanction, Loans or Shareholdings

No sanctions have been brought against any member of the Supervisory Board in the last five years due to violation of domestic or foreign provisions applicable to criminal or capital market law. Specifically, no convictions relating to fraudulent offences have been brought against them. The members of the Supervisory Board were not involved in any bankruptcy or insolvency proceedings or liquidations in the last five years. No public accusations have been made against them, nor have any sanctions been brought against them by legal authorities or regulatory agencies (including designated professional bodies), nor have they ever been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or from conduct of the affairs of any issuer.

The members of the Supervisory Board do not hold any shares or options for shares in the Company.

There are no family connections between members of the Supervisory Board or between the members of the Supervisory Board and the Management Board or the Senior Management.

No loans were granted to the members of the Supervisory Board in the financial year 2025/2026 or before.

The members of the Supervisory Board can be contacted at the Company's registered address, at Anglstraße 4, 94121 Salzweg, Germany.

14.3.6 Legal Relationships and Conflicts of Interest

14.3.6.1 Management consulting contract between electrovac AG and ziel management consulting GmbH

On 1 February 2021, electrovac AG concluded a consulting contract with ziel management consulting GmbH with respect to M&A advice. Mr Fürst is chairman of the supervisory board of the Company and at the same time shareholder and CEO of ziel management consulting GmbH. The contractual relationship started on 1 February 2021 and has been terminated in the meantime.

14.3.6.2 Attorney consulting contract between electrovac components GmbH & Co. KG and HSM Rechtsanwälte

On 1 April 2018, electrovac components GmbH & Co. KG (formerly: "Beutlhauser GmbH & Co. KG") concluded an attorney consulting contract with HSM Rechtsanwälte regarding employment law, enforcement of claims and other legal services. Mr Mühlberger is member of the supervisory board of the Company and at the same time partner of HSM Rechtsanwälte. The contractual relationship started on 1 April 2018 and has been terminated in the meantime.

14.3.6.3 Tax consulting contract between electrovac components GmbH & Co. KG and ASWR Wösner & Asen Steuerberatungsgesellschaft mbH & Co. KG

On 1 April 2018, electrovac components GmbH & Co. KG (formerly "Beutlhauser GmbH & Co. KG") concluded a tax consulting contract with ASWR Wösner & Asen Steuerberatungsgesellschaft mbH & Co. KG regarding the preparation of tax returns and related tax and accounting services. Mr Wösner is member of the supervisory board of the Company and at the same time partner of the ASWR Wösner & Asen Steuerberatungsgesellschaft mbH & Co. KG.

14.3.6.4 Tax consulting contract between electrovac germany GmbH and HSM Steuerberatungsgesellschaft mbH

On 1 April 2018, electrovac germany GmbH (formerly named: "Electrovac Hacht und Huber GmbH") concluded a tax consulting contract with HSM Steuerberatungsgesellschaft mbH regarding the preparation of tax returns and related tax and accounting services. Mr Mühlberger and Mr Wösner are members of the supervisory board of the Company and at the same time managing directors of HSM Steuerberatungsgesellschaft mbH.

14.3.6.5 Tax consulting contract between electrovac AG and HSM Steuerberatungsgesellschaft mbH

On 1 April 2018, electrovac AG concluded a tax consulting contract with HSM Steuerberatungsgesellschaft mbH regarding the preparation of tax returns and related tax and accounting services. Mr Mühlberger and Mr Wösner are members of the supervisory board of the Company and at the same time managing directors of HSM Steuerberatungsgesellschaft mbH.

Because of the legal relationships described above, each of the members of the Supervisory Board is subject to potential conflicts of interests between its personal interests in relation to their potential obligations towards the Company. Such conflicts of interests may in particular arise in case of dispute regarding the content or fulfilment of the consulting agreements described above and the Supervisory Board members may have an interest that consultancy work under their respective agreements is assigned to them instead of other potential third parties which might be able to render the respective services to the Company as well and might have to offer better prices and conditions or quality of work (please also refer to Section 3.5.2 – *There are tax risks and potential conflicts of interest with respect to Related Party Transactions*). Effective as of 31 March 2026 at the latest, all the above-described service contracts have been terminated.

14.4 Shareholders' Meeting

14.4.1 Voting

The Shareholders' Meeting is the body in which the shareholders of the Company can exercise their rights within the Company. Pursuant to the Articles of Association the Shareholders' Meeting must be held at the Company's registered office or in another city in Germany with at least 100,000 inhabitants.

Each share is worth one vote in the Shareholders' Meeting. There are no restrictions on voting rights. Voting rights will become valid upon payment of the applicable statutory minimum payment due on the share. Voting rights can be exercised by authorized representatives. It is necessary and sufficient that the proxy be issued in text form. Sec. 135 of the German Stock Corporation Act, which contains stipulations concerning the exercise of voting rights by credit institutions and professional agents, remains unaffected.

14.4.2 Resolutions

So long as there are no mandatory regulations preventing this, resolutions made by the Shareholders' Meeting will pass with a simple majority of the votes cast and, unless the law requires a majority of capital, with the simple majority of the share capital represented in the resolution.

Neither the Stock Corporation Act nor the Articles of Association provide for a minimum participation to have a quorum of the Shareholders' Meeting.

According to the Stock Corporation Act, resolutions of fundamental significance require both a majority of the votes cast and a majority of at least three quarters of the share capital represented in the resolution. Resolutions of fundamental significance specifically include:

- Capital increases with the exclusion of shareholders' subscription rights;

- Capital decreases;
- Creation of authorized or contingent capital;
- Corporate transformation measures, such as mergers, demergers or separations, and transfer of the Company's total assets;
- Conclusion of company agreements (e.g. control and profit transfer agreements);
- Changing of the Company's legal form;
- Dissolution of the Company.

14.4.3 Calling Meetings

As a rule, the Shareholders' Meeting is called once every year (ordinary Shareholders' Meeting). The ordinary Shareholders' Meeting must take place within the first eight months of each financial year. In addition, extraordinary Shareholders' Meetings can be called. If the wellbeing of the Company requires it, the Management Board or the Supervisory Board must call an extraordinary Shareholders' Meeting.

Shareholders who jointly hold at least 5% of the share capital may also request that the Management Board calls a Shareholders' Meeting. The request must be made in writing and must contain the purpose and reasons for calling the meeting.

An invitation for the Shareholders' Meeting along with the meeting agenda is sent out by the Management Board or the Supervisory Board. The Shareholders' Meeting must be called at least 30 days before the day by which shareholders must file a notification of attendance at the Shareholders' Meeting with the Company. Said notification must be received by the Company at the address indicated in the invitation at least six days before the meeting takes place. Pursuant to the Company's articles of association, the entitlement to attend the Shareholders' Meeting and to exercise voting rights must be proven by the custodian institute by producing textual evidence of the shares held. This evidence may be in either English or German, must refer to the date of the statutory deadline (record date), which falls the day before the Shareholders' Meeting, and must be received by the Company at least six days before the Shareholders' Meeting takes place. Periods must count back from the date of the Shareholders' Meeting, without however including the day of the ordinary Shareholders' Meeting; if the deadline falls on a Sunday, a legally-recognized holiday in the area where the Company's headquarters are situated or on a Saturday, this will not change the deadline.

Neither German law nor the Company's Articles of Association restrict the rights of shareholders who are not resident in Germany or who are not German citizens to hold shares or to exercise the voting rights associated therewith.

The German Stock Corporation Act fundamentally requires the approval of the shareholders in question when adversely altering the rights of shareholders. There are however exceptions to this on a case by case basis. Specifically, altering the previous relationship between various classes of shares so that one class is favored above others, is possible and is carried out by a resolution passed by the Shareholders' Meeting which requires the approval of the disadvantaged shareholders in order to become effective, in accordance with Sec. 179 subs. 3 of the German Stock Corporation Act. The disadvantaged shareholders must pass a separate resolution in order

to give approval. This separate resolution requires a capital majority of three quarters of the share capital represented. Moreover, the rights associated with a share can only be altered to favor the shareholder in question if said shareholder approves such an alteration.

There are no conditions in the Company's Articles of Association which are more severe than the legal provisions with regard to the measures to be taken in order to alter the rights of shareholders.

14.5 Senior Management

Besides the Management Board electrovac AG has a Senior Management, which currently consists of the following members:

- Mr Rainer Matzka
- Mr Christoph Beutlhauser
- Mr Michael Beutlhauser
- Mr Alfred Christian Füllgraf
- Mr Nuttavut Boonpumikosol

Rainer Matzka (* 4 July 1963):

After studying economics, Mr Rainer Matzka worked for several companies as cost accountant and controller. He joined the electrovac Group in June 1994 as financial controller. In 2000, he was appointed financial manager of Electrovac Metall-Glaseinschmelzungs GmbH (now electrovac Austria GmbH). In 2004, he was appointed financial manager of the whole Glass-to-Metal Sealing Business including Electrovac Hacht und Huber.

In 2008, Mr Matzka completed a Master of Business Administration (MBA) study with focus in Industrial Management. In 2010, he was appointed financial and Human Ressource (HR) manager of the new formed electrovac Group. He was responsible for setting up HR and the financial organization of Electrovac Thailand in 2015.

Accompanying the restructuring process of the Electrovac group in 2018, Mr Matzka was appointed CFO of electrovac AG and managing director of subsidiary companies. He was member of the Management Board of electrovac AG from 23 January 2018 to 30 March 2023.

Currently, Mr Matzka is managing director of electrovac austria GmbH and Electrovac (Thailand) Co., Ltd. and serves as Head of Finance of the electrovac Group.

Mr Matzka did not carry out any role over the last five years as a member of the administrative, management or supervisory body or as a partner (i.e. a member of a business partnership) in companies outside the electrovac Group.

Mr Matzka will also receive an IPO Bonus, please refer to Section 14.8. below.

Christoph Beutlhauser (* 05 August 1976):

After finishing his training as business clerk in 1997, Mr Christoph Beutlhauser started as commercial manager with Georg Beutlhauser metal production. In December 2007 Mr Christoph Beutlhauser became limited partner of electrovac components GmbH & Co. KG (formerly named:

"Beutlhauser GmbH & Co. KG") and was appointed managing director of its general partner. Since 2012 Christoph and Michael Beutlhauser have been the sole shareholders of electrovac components GmbH & Co. KG (formerly named: "Beutlhauser GmbH & Co. KG"). The fields of financing, commercial management and strategy are the responsibilities of Mr Christoph Beutlhauser.

Mr Christoph Beutlhauser has been a member of the administrative, management or supervisory bodies or a member of upper management in the following companies outside of the electrovac Group during the past five years:

- Aggretech GmbH
- arab immo GmbH
- arab invest GmbH
- arab invest II GmbH
- bcm invest GmbH
- Beutlhauser Beteiligungs GmbH
- Beutlhauser eGbR
- Beutlhauser Immo GmbH & Co. KG
- Beutlhauser Immobilien Verwaltungs GmbH
- Beutlhauser Verwaltungs GmbH
- Beutlhauser Vermverw. GmbH & Co. KG
- BR energy GmbH & Co. OHG
- BR Immo Group GmbH
- Globernet GmbH
- iq contec GmbH
- MCB Immo-GmbH
- With Love to Tennis GbR

Michael Beutlhauser (*28. June 1978):

After finishing his training as a mechanical engineer in 1997, Mr Michael Beutlhauser started with Georg Beutlhauser KG in 1997. In December 2007 Mr Michael Beutlhauser became limited partner of electrovac components GmbH & Co. KG (formerly named: "Beutlhauser GmbH & Co. KG") and was appointed managing director of its general partner. Since 2012 Michael and Christoph Beutlhauser have been the sole shareholders of electrovac components GmbH & Co. KG (formerly named: "Beutlhauser GmbH & Co. KG"). Production, innovation and strategy are the responsibilities of Mr Michael Beutlhauser.

Mr Michael Beutlhauser has been a member of the administrative, management or supervisory bodies or a member of upper management in the following companies outside of the electrovac Group during the past five years:

- Aggretech GmbH
- arab invest GmbH
- bcm Invest GmbH
- bcm invest GmbH
- Beutlhauser Beteiligungs GmbH
- Beutlhauser eGbR
- Beutlhauser Immo GmbH & Co. KG
- Beutlhauser Immobilien Verwaltungs GmbH
- Beutlhauser Verwaltungs GmbH
- Beutlhauser Vermverw. GmbH & Co. KG
- BR energy GmbH & Co. OHG
- Globernet GmbH
- Himalaya's Dreams Trading GmbH
- iq contec GmbH
- With Love to Tennis GbR

The members of the Senior Management can be contacted at the Company's address.

During the past five years, no member of the Senior Management has been subject to any sanctions on account of infringements of domestic or foreign regulations in criminal or capital market law, in particular they have not been subject to any charges in relation to fraud. During the past five years, no member of the Senior Management has been involved in insolvencies, insolvency proceedings or liquidations. They have not been subject to any public charges or sanctions by regulatory authorities (including any designated professional associations), neither have they ever been regarded by a court as unfit for service in an administrative, management or supervisory body of a company or for service in a managerial capacity or to manage the affairs of a company.

There are no family relationships between the members of the Senior Management and the Management or Supervisory Board.

Two members of the Senior Management, Messrs Christoph and Michael Beutlhauser, are direct and indirect majority shareholders of the Company. Further, they are managing directors of a company acting in the same business sector as the electrovac Group and companies controlled by them entered into business relationship with the electrovac Group in the past which might

occur in the future as well. From all those aspects potential conflicts of interest between the private interest of these members of the Senior Management and their duties towards the Company may arise (see also Section 3.5.2 “*There are tax risks and potential conflicts of interest with respect to Related Party Transactions*”). In particular their interest as shareholder might conflict with the interest of the Company for instance in case of a decision about a dividend distribution or a capital increase or the terms of a capital increase. In case of future business relationships between companies outside the electrovac Group in which the members of the Senior Management hold a participation or positions as managing directors or other board functions, Messrs Christoph and Michael Beuthauser might be subject to conflicts of interest if there are negotiations about the commercial or legal terms of contracts to be entered into or to be changed or in case of discussions about the quality of performance relating to such contracts.

Alfred Christian Füllgraf (* 30 July 1973):

Alfred Füllgraf completed vocational training in electric motor construction, followed by a two-year advanced program at a state-certified technical school for electrical engineering. He subsequently worked on automation projects for an electrical engineering company. In 2005, he further complemented his technical background with commercial expertise by qualifying as a Certified Technical Business Administrator (IHK).

Mr. Füllgraf joined the electrovac Group in 1999 as a Quality Technician at the Salzweg site, where he supported the electrovac Group’s initial projects in the automotive sector. In 2002, he was appointed Head of Quality Management at the Salzweg location, a position he held until July 2025. During this period, he played a key role in the strategic and operational development of the site with a strong focus on the automotive industry. His responsibilities included international customer and supplier quality management, product approvals, and quality coordination. He also supported the establishment of the electrovac Group’s manufacturing site in Thailand, with responsibility for building up the local quality management organization. In addition, he served as Quality Management Representative and was instrumental in the implementation and continuous development of the quality management system in accordance with ISO/TS 16949 and later IATF 16949.

Since 2011, Mr. Füllgraf has also been active within the electrovac Group as a Key Account Manager. In this role, he is responsible for the commercial and technical management of the electrovac Group’s highest-revenue customer, one of the world’s leading automotive suppliers.

In April 2025, Alfred Füllgraf was appointed Managing Director of electrovac germany GmbH.

Nuttavut Boonpumikosol (* 19 December 1978):

After High School in Math-Science Khun Nuttavut completed his bachelor in mechanical engineering in 2001. He started his master degree program at Burapha University in 2004 and completed as a Master of Business Administration in 2006.

He started his high-skilled working career in 2002 as maintenance engineer in the plastics industry. After several development steps he finally was Production and Engineering Manager at Aapico Plastics, Rayong.

Khun Nuttavut joined Electrovac Thailand in 2015 in the starting phase of the company as Production Manager. He was appointed Managing Director of Electrovac (Thailand) Co. Ltd. in February 2019.

14.6 Founder

The Company was founded on 23 January 2018 by the Swiss Electrovac Holding AG. In the course of the foundation, Electrovac Holding AG acquired 100,000 shares in exchange for a cash contribution of EUR 1.00 per share.

By resolution of the extraordinary shareholders' meeting on 22 March 2018, which was entered into the commercial register on 17 May 2018, the Company's share capital was increased to EUR 138,206.00 by issuing 38,206 new shares with a notional value of EUR 1.00 per share against contribution in kind (*Sacheinlage*). Electrovac Holding AG acquired 4,000 of the new shares and contributed its 100% stake in electrovac germany GmbH (formerly named: "Electrovac Hacht und Huber GmbH"), electrovac austria GmbH (formerly named: "Metall-Glaseinschmelzungs GmbH"), ELECTROVAC FRANCE SAS and Electrovac Japan KABUSHIKI KAISHA. Christoph and Michael Beutlhauser each took over 17,103 new shares and together contributed all limited partner's shares in electrovac components GmbH & Co. KG (formerly named: "Beutlhauser GmbH & Co. KG"). Each of the contributions took place by way of a post-foundation agreement within the meaning of Section 52 para 1 of the German Stock Corporation Act. The shareholders' meeting approved these agreements by resolution of 7 May 2018.

By resolution of the extraordinary shareholders' meeting on 26 June 2018, entered into the commercial register on 27 June 2018, the Company's share capital was increased to EUR 500,000.00 by issuing 361,794 new shares with a notional value of EUR 1.00 per share against cash contribution. The existing shareholders again subscribed for the new shares, namely Electrovac Holding AG for 272,250 shares and Christoph and Michael Beutlhauser for 44,772 shares each.

14.7 Transactions of Board Members and Related Parties in Shares

On 26 June 2018 the shareholders' meeting of the Company resolved upon a capital increase against contribution in cash. Within the scope of this capital increase the members of the Senior Management Mr Christoph Beutlhauser and Mr Michael Beutlhauser have each subscribed to 44,772 shares in the Company at a purchase price of EUR 1.00 per share. Furthermore, Electrovac Holding AG has subscribed to 272,250 shares in the Company at a purchase price of EUR 1.00 per share within the aforementioned capital increase.

On 22 January 2026, the shareholders' meeting of the Company resolved upon a capital increase out of company funds (*Kapitalerhöhung aus Gesellschaftsmitteln*) pursuant to which the stated share capital (*Grundkapital*) of the Company was increased from EUR 500,000 by EUR 11,660,000 to EUR 12,160,000.

No other transactions in relation to acquisitions of the Company's shares by members of the administrative, management or supervisory bodies or senior management, or affiliated persons occurred in the last twelve months.

14.8 IPO Bonus

In case of a successful Offering, the Company intends to pay a one-time cash bonus tied to the Company's net proceeds (the "**IPO Company Bonus**") to the members of the supervisory board each in an amount of 0.4% of the net proceeds, the CEO in an amount of 5% of the net proceeds and one senior employee of the electrovac Group in an amount of 0.4% of the net proceeds. The payments to be made by the Company to the relevant participants under the IPO Company Bonus

fall due for payment two months after the Listing and are conditional upon the occurrence of the Listing. The exact amount of the IPO Company Bonus is dependent and calculated based on the net proceeds of the sale of the New Shares prior to paying such bonus.

In case of a successful Offering, the Selling Shareholder has also promised to pay a one-time cash bonus tied to the Selling Shareholder's net proceeds (the "**IPO Holding Bonus**" and together with the IPO Company Bonus, the "**IPO Bonus**") to the members of the supervisory board each in an amount of 0.4% of the net proceeds, the CEO in an amount of 5% of the net proceeds and one senior employee of the electrovac Group in an amount of 0.4% of the net proceeds. The payments to be made by the Selling Shareholder to the relevant participants under the IPO Holding Bonus fall due for payment two months after the Listing and are conditional upon the occurrence of the Listing. The exact amount of the IPO Holding Bonus is dependent and calculated based on the net proceeds of the sale of the Selling Shares and any Overallotment Shares prior to paying such bonus.

The Company's CEO has committed to purchase from his IPO Company Bonus and his IPO Holding Bonus up to 120,000 Shares from the Selling Shareholder at the Offer Price less a commitment bonus of 10%. These Shares will also be part of the Shareholder Lock-up.

14.9 Corporate Governance

The German Corporate Governance Code (the "**Code**"), in its current version, contains recommendations and suggestions on managing and monitoring companies listed on German stock exchanges, with regard to shareholders, shareholders' meetings, management board, supervisory board, transparency, accounting and auditing. There is no obligation to follow the recommendations and suggestions laid out in the Code. The German Stock Corporation Act only obliges the management board and the supervisory board of a listed company to provide an annual declaration which recommendations were and will be followed, which recommendations were not or will not be applied and the reasons for doing so. This declaration is to be made permanently available to shareholders on the Company's website. It is permitted to deviate from the suggestions contained in the Code without having to disclose this fact.

Prior to the Listing of the Company's shares, the Company has not been subject to the obligation to provide such annual declaration.

The provisions of the Code are largely complied with by the Company as at the date of the Prospectus, with the exception of the following recommendations:

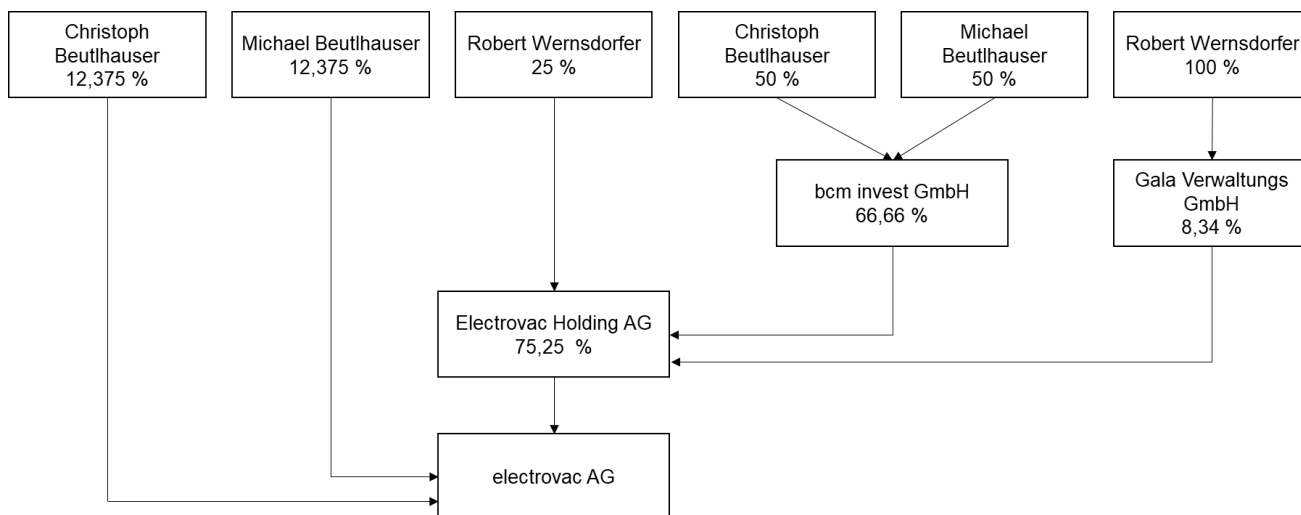
- Section C.1: The supervisory board has the necessary expertise on issues that are important to the Company. However, at present the supervisory board does not have a defined competency profile or qualification matrix.
- Section D.II.2: As a legal requirement for the formation of a committee that takes decisions, the committee must consist of at least three members. Since the supervisory board (*Aufsichtsrat*) of the Company only consists of three members due to the size of the Company, the formation of a committee is not necessary. Thus, the Company deviates from the recommendation of Section D.II.2 of the Code.
- Sections G.1 – G.5: The Company currently has only one management board member. Therefore, no remuneration system has been decided upon at the time of publication of this prospectus.

Following the Listing of the Company's shares the Company intends to largely comply with the recommendations of the Code.

15. PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

15.1 Shareholder Structure

The following chart sets forth the Company's shareholder structure as of the date of this Prospectus:



The following table sets forth the Company's shareholding (i) as of the date of this Prospectus, and (ii) assuming a placement of all Offered Shares (with and without exercise of the Greenshoe Option):

	As of the date of the Prospectus		Upon completion of the Offering (assuming no exercise of the Greenshoe Option)		Upon completion of the Offering (assuming full exercise of the Greenshoe Option)	
Shareholder	Shares	%	Shares	%	Shares	%
Electrovac Holding AG	9,150,400	75.25	8,850,400	55.32	8,229,400	51.43
Christoph Beutlhauser	1,504,800	12.375	1,504,800	9.41	1,504,800	9.41
Michael Beutlhauser	1,504,800	12.375	1,504,800	9.41	1,504,800	9.41
Freefloat ¹⁶	0	0	4,140,000	25.88	4,761,000	29.76
Total number of shares	12,160,000	100.00	16,000,000	100.00	16,000,000	100.00

As of the date of this Prospectus, Electrovac Holding AG holds 75.25% of the Shares and Christoph and Michael Beutlhauser each hold 12.375% of the Shares (Electrovac Holding AG and Christoph and Michael Beutlhauser also referred to as "**Existing Shareholders**").

The shareholders of the Company's majority shareholder Electrovac Holding AG is as follows:

- 66.66% of the shares are held by bcm invest GmbH, in which company Christoph and Michael Beutlhauser each hold 50% of the shares.
- 25% of the shares are held by Robert Wernsdorfer directly, and 8.34% of the shares are held through GaLa Verwaltungs GmbH, of which Robert Wernsdorfer holds 100% of the shares.

As of the date of this Prospectus, the Company is controlled by Electrovac Holding AG. Following completion of the Offering and assuming placement of all 3,840,000 New Shares and 300,000 Selling Shares, Electrovac Holding AG is to hold 55.32% of the Shares and would thus continue to have control; in case all of the 621,000 Overallotment Shares are placed as well, Electrovac Holding AG is to hold 51.43% of the Shares which would still constitute control.

15.2 Related Party Transactions

During the Financial Years 2022/2023, 2023/2024 and 2024/2025 and up to the date of this Prospectus, the electrovac Group entered into transactions with its direct or indirect shareholders, including *inter alia* Beutlhauser Beteiligungs GmbH, as well as members of the Company's supervisory board (please refer to Section 14.3.6 for further details). Additionally, the companies of the electrovac Group rendered and received several services in inter-company transactions. The transactions with related parties encompass *inter alia* loan agreements, lease agreements,

¹⁶ Comprising all shareholders with less than 3% in the share capital

IT services, sales of semi-finished products and services regarding management and sales services.

15.2.1 Sale and lease back regarding the property Anglstraße 4 in Salzweg, Germany between electrovac germany GmbH (formerly Electrovac Hacht und Huber GmbH) and Beutlhauser Beteiligungs GmbH

On 19 March 2018 electrovac germany GmbH sold the property Anglstraße 4, 94121 Salzweg, Germany (buildings and undeveloped land, district of Salzweg, parcel 433/1, 435 and 435/2) to Beutlhauser Beteiligungs GmbH (the majority of its shares are held by the Company's direct and indirect shareholders Christoph and Michael Beutlhauser) at a purchase price of EUR 2,600,000.00. The movable inventory was not sold, but remained property of electrovac germany GmbH.

On 31 March 2018, Beutlhauser Beteiligungs GmbH (as landlord) and electrovac germany GmbH (as tenant) agreed to lease back the object of purchase for a term ending 31 March 2033. The corresponding commercial lease agreement is automatically extended by 10 years if it is not terminated 12 months before expiration. The monthly rent is EUR 25,800.00 plus EUR 9,000.00 ancillary costs prepayment and EUR 6,612.00 VAT, i.e. a total of EUR 41,412.00. From 1 April 2020 the rent has increased by 3.0% per year.

15.2.2 Lease agreement on the premises Kinsingwald 3 and 4 in Salzweg, Germany, between Beutlhauser Immobilien GmbH & Co. KG and electrovac components GmbH & Co. KG (formerly Beutlhauser GmbH & Co. KG)

On 25 March 2014, Beutlhauser Immobilien GmbH & Co. KG (as landlord) concluded a rental contract with electrovac components GmbH & Co. KG (as tenant) for the estate Salzweg, Kinsingwald 3 and 4 (FINr. 554/7, 554/10, 554/4 and 553/2). The monthly rent amounts to EUR 41,650.00. From 1 April 2019 the rent has increased by 3.0% per year. The rental contract can be cancelled at 31 March 2030 for the first time.

15.2.3 Sub-Rental Contract on premises Kinsingwald 2 in Salzweg, Germany, between electrovac germany GmbH and electrovac components GmbH & Co. KG

On 13 October 2020, electrovac components GmbH & Co. KG (as landlord) concluded a sub-rental contract with electrovac germany GmbH (as tenant) for premises in the size of 560 sqm, situated in the estate Salzweg, Kinsingwald 3. From 1 November 2021 the monthly rent (including operating costs) amounts to EUR 4,046.00. The tenancy started on 1 November 2020 and can be terminated by electrovac germany GmbH with a four weeks' notice to the end of a month.

15.2.4 Employment contract between electrovac components GmbH & Co. KG and Gerda Beutlhauser

On 1 November 2017, electrovac components GmbH & Co. KG (then "Beutlhauser GmbH & Co. KG") concluded an employment contract with Gerda Beutlhauser, the mother of Michael and Christoph Beutlhauser. The employee currently receives an annual gross salary of EUR 6,626.52 her contractual work.

15.2.5 Employment contract between electrovac components GmbH & Co. KG and Alexander Beutlhauser

On 1 December 2017, electrovac components GmbH & Co. KG (then “Beutlhauser GmbH & Co. KG”) concluded an employment contract with Alexander Beutlhauser, the brother of Michael und Christoph Beutlhauser. The employment began on 1 March 2014. The employee is hired as head of the surface technology department and receives a monthly gross remuneration of EUR 7,274.20 for his contractual work. electrovac components GmbH & Co. KG grants the employee up to EUR 237.60 per month, payable into a pension fund or a direct insurance, if a corresponding contract is proven. Furthermore, electrovac components GmbH & Co. KG grants a performance bonus of EUR 800.00 for the exercise of the environmental protection officer. electrovac components GmbH & Co. KG shall provide the employee with capital-forming benefits in the amount of EUR 26.59 per month, provided that the employee provides proof of a corresponding contract. The employee has a company car and receives a Christmas bonus of 50% of the monthly gross salary. In addition, the employee receives a holiday pay amounting to half a gross monthly salary.

15.2.6 Upstream loan agreements between the Company and Electrovac Holding AG

On 19 September 2022, Electrovac Holding AG concluded a loan agreement as borrower with the Company as borrower in the amount of EUR 30,000. The loan was to be repaid on 31 March 2023, which was prolonged until 31 March 2024 by first amendment agreement and was further prolonged until 31 March 2026 by second amendment agreement.

15.2.7 Upstream loan agreements with the Company’s direct and indirect shareholders

On 16 January 2023, Christoph and Michael Beutlhauser concluded a loan agreement as borrowers with electrovac components GmbH & Co. KG as lender in the amount of EUR 240,000.

On 23 November 2023, Christoph and Michael Beutlhauser each concluded a loan agreement as borrowers with the Company as lender in the amount of EUR 400,000.

On 28 July 2024, Robert Wernsdorfer concluded a loan agreement as borrower with the Company as lender in the amount of EUR 400,000.

As of 30 September 2025, these loans were repaid following the Company’s dividend distribution resolved upon on 18 September 2025.

15.2.8 Trademark licencing agreement between the Company and electrovac germany GmbH

Since 2018, the Company concluded a trademark licencing agreement with electrovac germany GmbH under which electrovac germany GmbH pays a licence fee of 1% of its revenues to the Company for the use of the “electrovac” brand. The agreement is concluded for an indefinite period of time.

15.2.9 Trademark licencing agreement between the Company and electrovac austria GmbH

Since 2018, the Company concluded a trademark licencing agreement with electrovac austria GmbH under which electrovac austria GmbH pays a licence fee of 1% of its revenues to the Company for the use of the “electrovac” brand. The agreement is concluded for an indefinite period of time.

15.2.10 Letter of comfort of electrovac AG

On 12 April 2018, electrovac AG issued a letter of comfort for electrovac components GmbH & Co. KG, irrevocably and unconditionally assuming the obligation to provide financial resources up to the amount of EUR 1,000,000.00 for electrovac components GmbH & Co. KG for loans granted by Raiffeisenlandesbank Oberösterreich Aktiengesellschaft Zweigniederlassung Süddeutschland until full repayment of the loans (for further details see Section 11.8.13 in this Prospectus).

15.2.11 Vehicle leasing contracts

Electrovac components GmbH has leased a pool vehicle from car distributor Beutlhauser eGbR which is also used by its managing directors Christoph Beutlhauser and Michael Beutlhauser for company purposes.

15.2.12 Tooling supply contract with Aggretech GmbH

Electrovac components GmbH from time to time is subcontracting Aggretech GmbH, a company controlled by its managing directors Christoph Beutlhauser and Michael Beutlhauser, to supply tools used for manufacturing. The annual contract volume does not exceed EUR 30,000.

15.2.13 Marketing services from globernet GmbH

The Company and other entities of the electrovac Group have engaged globernet GmbH, a company controlled by its managing director Christoph Beutlhauser, for web design and other marketing services. The annual contract volume does not exceed EUR 30,000.

16. INFORMATION ON THE SHARE CAPITAL OF THE COMPANY

16.1 Share Capital and Shares

As of the date of the Prospectus the share capital of the Company amounts to EUR 12,160,000.00. It is divided into 12,160,000 no-par value (*Stückaktien*) bearer shares (*Inhaberaktien*) each with a notional share of EUR 1.00 in the share capital. All shares are bearer shares and have been fully paid in. Each share grants the holder one vote at the shareholders' meeting (*Hauptversammlung*) of the Company. There are no restrictions regarding the voting rights. The New Shares carry full dividend rights. In the event of the Company's liquidation the Company's assets remaining after all liabilities have been discharged shall be divided in accordance with their notional share in share capital. All shares of the Company as well as the New Shares have been created pursuant to the provisions of the German Stock Corporation Act (*Aktiengesetz*, **AktG**).

16.2 Development of Share Capital

The Company was incorporated as German Stock Corporation (*Aktiengesellschaft*) under the laws of Germany by articles of association dated 23 January 2018 with a share capital of EUR 100,000.00.

By resolution of the extraordinary shareholders' meeting as of 22 March 2018, the Company's share capital has been increased by EUR 38,206.00 to EUR 138,206.00 by issuing 38,206 new shares with a notional value of EUR 1.00 per share against contribution in kind (*Sacheinlage*) of all shares in Electrovac Hacht und Huber GmbH with registered office in Salzweg, Germany, Electrovac Metall-Glaseinschmelzungs GmbH with registered office in Klosterneuburg, Austria, ELECTROVAC FRANCE S.A.R.L. with registered office in Rungis, France and Electrovac Japan KABUSHIKI KAISHA with registered office in Osaka-fu, Suita-shi, Japan as well as of all limited partner's shares in Beuthauser GmbH & Co. KG with registered office in Freyung, Germany. The capital increase was entered into the commercial register on 17 May 2018.

By resolution of the shareholders' meeting as of 26 June 2018, the Company's share capital has been increased by EUR 361,794.00 to EUR 500,000.00 by issuing 361,794 new shares with a notional value of EUR 1.00 per share against cash contribution. The capital increase was entered into the commercial register on 27 June 2018.

On 22 January 2026 the shareholders' meeting of the Company resolved to increase the Company's share capital from EUR 500,000.00 by EUR 11,660,000.00 to EUR 12,160,000.00 using company funds (*Kapitalerhöhung aus Gesellschaftsmitteln*) in order to facilitate the trading of the Company's shares following the Offering. The capital increase was entered into the commercial register on 29 January 2026.

The share capital of the Company is expected to further increase by resolution of the shareholders' meeting of the Company on or about 27 April 2026 from EUR 12,160,000 by up to EUR 3,840,000 to up to EUR 16,000,000 against cash contribution through the issuance of up to 3,840,000 ordinary bearer shares with no-par value each with a notional share of EUR 1.00 in the share capital for purposes of the issuance of the New Shares to be placed in connection with the offering. The capital increase is expected to be entered into the commercial register on or around 28 April 2026.

16.3 Authorized Share Capital

The management board (*Vorstand*) is authorized, subject to the approval of the supervisory board (*Aufsichtsrat*), to increase the share capital of the Company until 9 April 2031 once or several times by up to EUR 6,080,000 through the issuance of new no par value bearer shares in cash or in contributions in kind and to determine the rights inherent in the shares, the details of the capital increase as well as the terms of share issuance, in particular the issuance price. The management board is further authorized, with the consent of the supervisory board, to exclude the statutory subscription rights (*gesetzliches Bezugsrecht*) of the shareholders.

However, subscription rights may only be excluded in the following cases:

- for fractional amounts;
- if the new shares are issued against cash provided that the capital increase may not exceed 10% of the share capital and that the issue price is not substantially below the stock exchange price of shares. For the purpose of this authorization, the issue price for the purchase of new shares by an intermediary with the simultaneous obligation of such intermediary to offer the new shares for purchase by one or more third parties designated by the company is deemed to be the amount that must be paid by the third parties or party;

- for the purpose of acquiring companies, participations in companies, parts of companies, industrial property rights, as e.g. patents, trademarks or licences for these, or other product rights or other non-cash contributions;
- for issuing employees shares to employees of the Company or companies associated with it; or
- in other cases that are considered to be in the interests of the Company.

16.4 Conditional Capital

The Company does not have conditional capital.

16.5 General Rules on the Increase of Share Capital

In accordance with the German Stock Corporation Act (*Aktiengesetz*), the share capital of a stock corporation may be increased by a decision of the shareholders' meeting, with a majority of the votes cast and a majority of at least three quarters of the share capital represented at the vote, unless the articles of association stipulate other majority requirements.

The shareholders' meeting can also create authorized capital. The creation of authorized capital requires a decision by a majority of the votes cast and of three quarters of the share capital represented at the vote, by which the management board is entitled to issue new shares for a particular amount within a period of not more than five years. The nominal amount of the authorized capital must not exceed the value of half of the share capital in the company at the time when the authorization is made. The new shares shall only be issued with the approval of the Supervisory Board.

Furthermore, the shareholders' meeting may, for the purpose of the issuance

- of shares to holders of convertible bonds or other securities which grant the right to subscribe for shares,
- of shares which serve as a consideration in the event of a merger with another company, or
- of shares which are granted to executives and employees in the way of granting subscription rights,

create a conditional capital, wherefore a decision by a majority of three quarters of the company's share capital represented at the vote is required. If the conditional capital is being created for the purpose of issuing shares to executives and employees, the par value of the conditional capital must not exceed 10% of the share capital existing at the time that the resolution was passed. If the conditional capital is being created for the purpose of issuing shares to holders of convertible bonds or other securities which grant the right to subscribe for shares, the par value of the conditional capital must not exceed 50% of the share capital existing at the time that the resolution was passed. If the conditional capital is being created for the purpose of issuing shares which serve as a consideration in the event of a merger with another company, the par value of the conditional capital must not exceed 60% of the share capital existing at the time that the resolution was passed.

16.6 General Rules on Subscription Rights

According to the German Stock Corporation Act, subscription rights are in principle available to any shareholder, in the case of a capital increase as well as in the cases of newly issued convertible bonds, option bonds, profit participation rights or profit participating bonds. Subscription rights are, in principle, freely transferable. During a specified period of time prior to the end of the reference period, the trading of subscription rights on the German stock exchanges is permitted. The company is not obliged to organize such a trade of subscription rights and is not responsible for ensuring that such trading takes place. Subscription rights not exercised during the exercise period expire and lead to the loss of the claim to subscription rights. The company may freely dispose of the unsubscribed shares, option bonds, convertible bonds, profit participation rights or participating bonds, by offering them to third parties; the offer must not result in more favorable conditions than the offer to the shareholders.

The shareholders' meetings may, by decision of the majority of votes and, at the same time, a majority of at least three quarters of the share capital represented at the vote, to exclude the statutory subscription right of the shareholders. For an exclusion of subscription rights to be made, a report of the management board is required detailing the reasons to justify the exclusion of subscription rights, in which it must be stated that the interest of the company in having the subscription rights excluded outweighs the interest of the shareholders in exercising their subscription rights. The exclusion of the subscription right in the case of the issuance of new shares is allowed, in particular if the company increases its capital against cash contributions, if the amount of the capital increase does not exceed 20% of the share capital and if the value of the issuance of the new shares does not significantly fall short of the stock market price.

The subscription right serves to enable the shareholder to maintain its previous percentage share in the share capital and to maintain its voting power (protection against dilution).

If the subscription right of shareholders is excluded, the legal barriers of Sec. 255 (2), (4) – (7), 255a and 255b of the German Stock Corporation Act have to be considered, i.e. if the subscription right is excluded in whole or in part in a manner other than that specified in Section 186 (3) sentence 4 of the German Stock Corporation Act and if the value of the contribution attributable to one share is unreasonably low, any shareholder whose right to bring an action against the validity of the capital increase resolution is excluded may, notwithstanding Sections 255a and 255b of the German Stock Corporation Act, demand compensation from the company in the form of a cash payment to the extent that his subscription right is excluded.

In the event of a conditional capital increase, a general subscription right of shareholders is excluded because of the very nature of the matter. In order to protect shareholders, the nominal amount of conditional capital must not exceed 60%, 50% or 10% (*please refer to Section 16.4 of this Prospectus*) of the share capital, irrespective of its intended purpose.

16.7 Treasury Shares

The Company may not acquire its own shares unless authorized by the shareholders' meeting or in other very limited circumstances as set out in the AktG.

The Company currently does not hold treasury shares.

16.8 Shareholder Notification Requirements; Managers' Dealings; Mandatory Takeover Bids

With the inclusion of the shares for trading on a stock exchange and with a listing on the Frankfurt Stock Exchange the rules of the market abuse regulation apply to the company. The Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("**Market Abuse Regulation**" or "**MAR**") obliges persons with management responsibilities ("**Managers**") and persons closely associated with Managers to notify details of their own transactions relating to shares in the company or related financial instruments, in particular derivatives, to the company and to BaFin ("**Managers' Transactions**"). Such a notification shall be made promptly and no later than three business days after the date of the transaction. The company is obliged to publish such a notification no later than two business days after receipt of the notification and to send a copy of the information to the Germany Company Register (*Unternehmensregister*) and to the BaFin. The obligation only applies to any subsequent transaction once a total amount of EUR 20,000.00 has been reached within a calendar year. (The threshold of EUR 20,000.00 shall be calculated by adding without netting all transactions referred to in Art. 19 para. 1 MAR in accordance with Art. 19 para. 8 MAR). In the event of an infringement of the disclosure requirements for Managers' Transactions, multiple sanctions, e.g. a fine and publication of the violation, may be imposed.

Managers are the members of the management, administrative or supervisory body of the Company and other senior executives who regularly have access to insider information (within the meaning of the MAR) relating directly or indirectly to that entity and who have the power to take managerial decisions affecting the future developments and business prospects of that entity.

The following persons are deemed to be closely associated with a Manager: (a) spouses and registered civil partners, (b) dependent children, (c) other relatives, who, at the time of the reportable transaction, shared the same household for at least one year and (d) legal persons, trusts or partnerships, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

Furthermore, after the shares of the Issuer are admitted to trading in the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment with additional post-admission obligations (*Prime Standard*), the Issuer is subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*, **WpHG**).

The WpHG provides that any shareholder who, through acquisition, sale or otherwise, reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in a listed company whose country of origin is Germany must notify the respective company and the BaFin without undue delay, but no later than four trading days after the event, of having reached, exceeded or fallen below the threshold values and must also disclose the amount of its current share of the voting rights. The pre-scribed time limit commences at the time when the shareholder required to give the notification has actual knowledge or should have had knowledge under the circumstances that its share of voting rights reached, exceeded or fell below the stated thresholds. It is assumed that the shareholder required to give the notification has gained knowledge about

his shareholding two trading days after the reaching, exceeding or falling below the aforementioned thresholds.

The WpHG defines “holding” as the existence of an unconditional claim related to a transfer of shares without any undue delay or a respective obligation.

Except for the threshold at 3%, corresponding disclosure obligations towards the Company and the BaFin apply for reaching, exceeding, or falling below the above mentioned threshold values when the relevant shareholder directly or indirectly holds certain financial instruments other than shares, that grant upon maturity an unconditional right to acquire already issued voting shares of the Company, a discretionary right to acquire such shares, or instruments that refer to such shares and have a similar economic effect. In particular such instruments comprise transferable securities, options, futures, swaps, forward rate agreements and contracts for differences. The number of voting rights relevant for the notification requirement is generally calculated by reference to the full nominal amount of shares underlying the instrument, except where the instrument provides exclusively for a cash settlement. The voting rights from shares and voting rights obtainable through financial instruments will be aggregated.

A shareholder who reaches or exceeds the threshold of 10 percent of the voting rights from shares or a higher threshold in a listed company whose country of origin is Germany must notify the issuer of the objectives pursued with the acquisition of the voting rights and the origin of the funds used for the acquisition within 20 trading days after reaching or exceeding these thresholds. Any change in the objectives must also be notified within 20 trading days.

In case of non-compliance with the notification requirement, for example by failing to file a notice or providing false information, the shareholder is precluded from exercising the rights attached to its shares (including voting rights and the right to dividends) for the duration of the failure. Under certain circumstances the shareholder is precluded from exercising the rights attached to its shares for a period of six months after he or she files the necessary notice. In addition, a fine may be imposed for failure to comply with the notification requirement.

16.9 General Rules Relating to Use of Profits and Dividend Payments

Under German law, the participation of the Company’s shareholders in profits is determined on the basis of their respective interests in the share capital, unless the Company’s articles of association (*Satzung*) provide for another profit allocation.

Distributions of dividends on shares for a given financial year are generally determined by a process in which the management board (*Vorstand*) and supervisory board (*Aufsichtsrat*) submit a proposal to the annual general shareholders’ meeting (*Hauptversammlung*) held in the subsequent financial year and such annual shareholders’ meeting adopts a resolution. German Law provides that a resolution concerning dividends and distribution thereof may be adopted only on the basis of a balance sheet profit (*Bilanzgewinn*) shown in the Company’s adopted annual individual financial statement (*festgestellter Jahresabschluss*). In determining the profit available for distribution, the result for the relevant year must be adjusted for profits and losses brought forward from the previous year and for withdrawals from or transfers to reserves. Certain reserves are required by law and must be deducted when calculating the profit available for distribution. In a resolution regarding the utilization of balance sheet profits (*Bilanzgewinn*), the general shareholders’ meeting (*Hauptversammlung*) can include further amounts in retained earnings or carry them forward as profits. Future dividend distribution will depend upon the results of operation

of the Company, its financial condition, its need for cash and the legal, tax and regulatory environment, as well as other factors.

Dividends on shares resolved by the general shareholders' meeting (*Hauptversammlung*) are paid annually, shortly after the annual shareholders' meeting (*Hauptversammlung*), in compliance with the rules of the respective clearing system. In accordance with the general provisions of sections 195 and 199 subsection 1 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*) dividend claims become time-barred three years after the end of the year in which the general shareholders' meeting (*Hauptversammlung*) has taken the respective resolution on the distribution of profits (*Gewinnverwendungsbeschluss*). After expiry of this period, the Company may refuse payment of the respective dividend to a shareholder. In such case, the respective dividend amount remains with the Company, which therefore benefits hereof. Details concerning any dividends resolved by the annual shareholders' meeting (*Hauptversammlung*) and the respective paying agents specified by the Company will be published in the electronic version of the Federal Gazette (*elektronischer Bundesanzeiger*) and in at least one official national publication for statutory stock market notices approved by the Frankfurt Stock Exchange.

16.10 General Rules Relating to a Liquidation of the Company

Apart from liquidation as a result of insolvency proceedings and other reasons as set forth in the German Stock Corporation Act (*Aktiengesetz - AktG*), the Company may be liquidated only upon resolution of the general shareholders' meeting (*Hauptversammlung*) to be adopted with a majority of at least 75% of the share capital represented at the general shareholders' meeting (*Hauptversammlung*) at which such resolution is adopted. In such a case, the assets remaining following fulfillment of all of the Company's liabilities will be distributed among the shareholders according to their respective shares in the share capital and in accordance with the German Stock Corporation Act (*Aktiengesetz - AktG*).

17. UNDERWRITING

17.1 Underwriting Agreement

The Company, the Selling Shareholder and the Joint Bookrunners entered into an Underwriting Agreement on 15 April 2026 (the "**Underwriting Agreement**") with respect to the Offered Shares which are the subject of this Prospectus.

Under the terms of the Underwriting Agreement and subject to certain conditions, the Joint Bookrunners will undertake to offer the New Shares from the Company and the Selling Shares (excluding any overallotment) from the Selling Shareholder and to make its best efforts to sell these Placement Shares as part of the Offering at the Offer Price, subject to certain conditions, including the execution of a pricing agreement to determine the Offer Price. In addition, the Joint Bookrunners are entitled, but not obliged, to offer the Overallotment Shares in their own name as part of the Offering at the Offer Price.

The Joint Bookrunners will subscribe the New Shares which are sold as part of the Offering and pay the Offer Price for the Offered Shares (less agreed commissions, costs and expenses, as well as the part of the issue price already paid for the New Shares placed) to the Company or the Selling Shareholder on the respective settlement date to be agreed between the parties to the Underwriting Agreement.

The obligations of the Joint Bookrunners will be subject to the occurrence of various conditions precedent, including in particular

- the confirmation by the Company and the Selling Shareholder of the accuracy of the content of Prospectus and certain guarantees;
- the agreement of the Joint Bookrunners and the Company on the Offer Price and the final number of Offered Shares to be purchased by the Joint Bookrunner;
- the absence of a material adverse event;
- receipt of certain customary deliverables (e.g., legal opinions and disclosure letters)
- the Admission to Trading.

The Joint Bookrunners may in the future provide services to the Company in the ordinary course of business and may have regular business dealings with the Company in its capacity as securities institution. For a more detailed description of the interests of the Joint Bookrunners in the Offering, see Section 6.4 of this Prospectus.

17.2 Commissions and Fees

The Company and the Selling Shareholder will pay certain commissions to the Joint Bookrunners of in aggregate up to 5.5% of the gross issue proceeds. In connection with the preparation of the Offering and the Listing on the regulated market (*regulierter Markt*) of Frankfurt Stock Exchange, the Company pays a basic commission to the Joint Bookrunners. In addition, the Joint Bookrunners receive a variable placement commission from the Company (for the placement of New Shares) and the Selling Shareholder (for the placement of Selling Shares and, if applicable, Overallotment Shares) on the actual placement volume. The variable placement commission is only payable on the Overallotment Shares to the extent that the Shares are not repurchased via the market for the purpose of repaying the loan to the Selling Shareholder.

17.3 Greenshoe Option and Securities Loan

With a view to a possible overallotment, the Overallotment Shares will be made available to the Stabilization Manager by the Selling Shareholder by way of a securities loan. The Selling Shareholder will also grant the Stabilization Manager the option to purchase these Shares at the Offer Price less the agreed commission ("**Greenshoe Option**"). The Greenshoe Option expires 30 calendar days after commencement of trading of the Shares on the regulated market of Frankfurt Stock Exchange. For further information, see Section 5.8 "*Stabilization Measures, Overallotment and Greenshoe Option*".

17.4 Conditions Precedent, Termination

Under certain circumstances, the Joint Bookrunners may terminate the Underwriting Agreement, including after the Offered Shares have been allocated and the Admission to Trading, up to closing of the Offering when the Offered Shares have been delivered and settled, in particular, in the following cases:

- a material adverse change in the economic position or the business of the Company;
and

- an event that has material adverse effects on the financial markets.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated, and investors will have no claim for delivery of the Issuer's shares. Claims with respect to security commissions already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial institution to which the investor submitted its purchase order. Investors who engage in short selling bear the risk of being unable to satisfy their delivery obligations.

17.5 Indemnification

The Company has further agreed in the Underwriting Agreement to indemnify the Joint Bookrunners against certain liabilities, including liabilities under applicable securities laws that may arise in connection with the Offering and Admission to Trading.

17.6 Selling and Transfer Restrictions

In the Underwriting Agreement, the Joint Bookrunners and the Selling Shareholder further undertake to comply with certain selling restrictions and not to take any action in a country outside Germany that would constitute a public offer to sell the Shares under the laws applicable there.

17.6.1 Member States of the European Economic Area

- In relation to each member state of the EEA no Offering of Shares has been or will be made, except for (a) the offer to the public in Germany and (b) any offers of Offered Shares in any member state of the EEA in accordance with the following exceptions under the Prospectus Regulation: to qualified investors as defined in Article 2 lit. (e) of the Prospectus Regulation,
- to fewer than 150 natural or legal persons per member state of the EEA (other than qualified investors as defined in Article 2 lit. (e) of the Prospectus Regulation) subject to obtaining the prior consent of the Joint Bookrunner for any such offer, or
- in any other circumstances falling within Article 1 (4) of the Prospectus Regulation.

For the purposes of this Prospectus, the expression "offer to the public" in relation to any member state of the EEA means a communication to persons in any form and by any means, presenting sufficient information on the terms of the Offering and the Offered Shares, so as to enable an investor to decide to purchase or subscribe to Offered Shares, including any placing of Offered Shares through financial intermediaries.

17.6.2 United Kingdom

The sale of the Shares in the United Kingdom of Great Britain and Northern Ireland (the "**United Kingdom**") is also subject to restrictions. The Joint Bookrunners, the Company and the Selling Shareholder will also undertake under the Underwriting Agreement (i) not to offer Shares in the United Kingdom, except by private placement to qualified investors and otherwise in circumstances that do not constitute an offer to the public requiring the publication of a prospectus under the applicable UK prospectus regime; (ii) that any communication of an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial

Services and Markets Act 2000, as amended ("**FSMA**") in connection with the Shares will only be made to persons who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**FPO**"), high net worth companies, unincorporated associations and certain other bodies falling within Article 49(2) of the FPO, or to other persons to whom it may lawfully be communicated under the FPO; and (iii) to comply with all applicable provisions of the FSMA in all actions they have taken or will take in respect of the Shares in the United Kingdom, from there or otherwise in relation to the United Kingdom.

17.6.3 United States

The Offered Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction in the United States. Accordingly, the Offered Shares may not be offered, sold, pledged or otherwise transferred within the United States, unless they are registered under the Securities Act, or pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities law of any state or other jurisdiction of the United States.

Neither the Company nor the Selling Shareholders intend to register the Offered Shares or a part thereof under the Securities Act, or to conduct a public offering of the Offered Shares in the United States.

18. TAXATION IN GERMANY

The following section contains a summary of certain key German taxation principles which generally are or may be relevant to the acquisition, holding or transfer of shares under German law. In addition, some key tax aspects relating to the Company are addressed. This summary does not purport to be an exhaustive or complete description of all potential tax aspects that could be relevant for the Company or its shareholders. This summary is based on the domestic tax law in effect in Germany as of the date of this Prospectus as well as typical provisions of double taxation treaties currently in force that Germany has concluded with other countries. Tax legislation and the status of the treaties may change, possibly with retroactive or retrospective effect. Moreover, it cannot be ruled out that the German tax authorities or courts may consider an alternative assessment to be correct that differs from the one described in this section.

This section is no substitute for individual tax advice to a particular shareholder and should not be viewed as such advice. In particular, the tax legislation of the prospective investor's Member State and of the Company's country of incorporation, statutory seat and place of effective management may have an impact on the income received from the Shares in the Company.

Prospective investors are therefore advised to consult their qualified tax advisers and attorneys regarding the tax implications of the acquisition, holding or transfer, donating, bequeathing or inheriting of shares and/or subscription rights and regarding the procedures to be followed to potentially achieve a reimbursement of German withholding tax (Kapitalertragsteuer). Only such individual tax advice can adequately take the specific tax relevant circumstances of individual investors into due account and consider special legal consequences that might arise for the shareholders in their personal tax situations and under their applicable legal systems.

18.1 Taxation of the Company

As a rule, the taxable profits generated by German corporations are subject to German corporate income tax (*Körperschaftsteuer*). The rate of the corporate income tax is a standard 15% for both distributed and retained earnings, plus a solidarity surcharge (*Solidaritätszuschlag*) amounting to 5.5% on the corporate income tax liability (i.e., 15.825% in total). The corporate income tax rate will be gradually reduced by 1%-point per annum starting in 2028 to a rate of 10% in 2032.

In general, dividends (*Dividenden*) or other profit shares that the Company derives from domestic or foreign corporations are effectively 95% exempt from corporate income tax, as 5% of such receipts are treated as a non-deductible business expense and are therefore subject to corporate income tax (and solidarity surcharge), i.e. increase the income of the Company. However, dividends are not exempt from corporate income tax (including solidarity surcharge thereon) if the Company only holds a direct participation of less than 10% in the share capital of such corporation at the beginning of the calendar year (herein after in all cases, a "**Portfolio Participation**" *Streubesitzbeteiligung*). Participations of at least 10% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations in the share capital of other corporations which the Company holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmerschaften*)) are attributable to the Company only on a *pro rata* basis at the ratio of the interest share of the Company in the assets of the relevant partnership.

The Company's gains from the disposal of shares in a domestic or foreign corporation are in general effectively 95% exempt from corporate income tax (including the solidarity surcharge thereon), regardless of the size of the participation and the holding period. 5% of the gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge thereon) at a rate of 15.825%. Conversely, losses incurred from the disposal of such shares are generally not deductible for corporate income tax purposes. Currently, there are no specific rules for the taxation of gains or losses arising from the disposal of Portfolio Participations.

Additionally, German corporations are generally subject to German trade tax (*Gewerbesteuer*) on their taxable trade profit (*Gewerbeertrag*) generated at their permanent establishments maintained in Germany (*inländische Betriebsstätten*). The effective trade tax rate depends on the municipalities in which the corporation maintains its operations or permanent establishments. The effective trade tax rates generally range from 7% to more than 18% depending on the municipal trade tax multiplier applied by the relevant municipal authority (*Hebesatz*). When determining the income of the corporation that is subject to corporate income tax, trade tax or the solidarity surcharge, the trade tax may not be deducted as a business expense.

In principle, dividends or other profit shares that the Company derives from domestic or foreign corporations are treated in the same way for trade tax purposes as for corporate income tax purposes. However, 95% of profit shares will in effect be exempt from trade tax only if (a) the distributing corporation is a German corporation and the Company held an interest of at least 15% in the share capital of the corporation at the beginning of the relevant tax assessment period (*Erhebungszeitraum*), (b) the distributing corporation is a foreign corporation and the Company held at least 15% of the nominal capital (*Nennkapital*) of the distributing corporation since the beginning of the relevant tax assessment period or (c) the distributing corporation is a foreign corporation resident in a jurisdiction with which Germany has concluded a double taxation treaty which provides for an exemption on the taxation of dividend income and the Company holds a

stake of at least 15% (or any lower rate as set out in the applicable double taxation treaty) in the distributing corporation at the time of the distribution. Otherwise, the profit shares will be fully subject to trade tax.

Profits derived from the sale of shares in another domestic and foreign corporation are treated in the same way for trade tax purposes as for corporate income tax purposes, i.e. 95% of such profits are in general exempt from trade tax.

If and to the extent the Company and its German subsidiaries form a tax group for corporate income and trade tax purposes (*ertragsteuerliche Organschaft*), the profits and losses are generally effectively consolidated and subject to tax at the level of the Company.

Interest expenses are generally tax-deductible, when considered at arm's length. The provisions of the so-called interest barrier rules (*Zinsschranke*), however, may limit the amount of interest expenses which can be deducted from the tax base in certain cases. According to these rules, interest (and other financing) expenses are tax deductible without limitation to the extent that the relevant business (*Betrieb*) earns taxable interest income in the same financial year. Interest (and other financing) expenses which exceed the taxable interest income ("**net interest expenses**"), are only tax deductible up to an amount of 30% of the current year net taxable earnings before interest, tax and depreciation and amortization ("**EBITDA**") of the respective entity unless the net interest expenses of the entity are below the threshold of EUR 3,000,000.00 per annum and no other exceptions apply. Non-deductible interest expenses will be carried forward and will generally be deductible in subsequent years, subject to certain limitations. EBITDA that has not been fully utilized can under certain circumstances be carried forward to subsequent years and may be deducted subject to the limitations set out above. In case of cross-border intra-group financing, the financing relationship is only considered at arm's length if the debtor company can convincingly show that it could have provided the debt service (i.e. interest and principal payments) for the entire term of the financing relationship from the outset and that it actually needs it economically and uses it for the purpose of the company. In addition, to the extent that the interest rate to be paid for a cross-border intra-group financing exceeds the interest rate at which the company could finance itself with third parties based on the group rating, such excess interest is generally not considered at arm's length. For trade tax purposes, 25% of the interest expenses deductible after applying the interest barrier rules are added-back when calculating the taxable trade profit (insofar as the total including certain additional expenses exceeds the amount of EUR 200,000.00). Therefore, for trade tax purposes, the deductible interest expenses amount to only 75% of the interest expenses which are deductible for corporate income tax purposes.

Current tax losses of the Company can generally be offset against its current taxable profits of the same financial year. Under certain conditions, negative income of the Company that has not been offset by the current year's positive income can be carried forward or back into other assessment periods. Loss carry-backs to the immediately preceding assessment period (and subsidiary to the extent an offset in the immediately preceding assessment period is not possible, to the second assessment period preceding the assessment period) are only permissible up to EUR 1,000,000.00 for corporate income tax but not for trade tax purposes. Negative income that has not been offset and not carried back can indefinitely be carried forward to subsequent assessment periods to reduce the taxable profits or trade income (tax loss carry-forward). In a future assessment period in an amount of up to EUR 1,000,000.00 can be used without restriction to offset positive income for corporate income and trade tax purposes. If the taxable income or the taxable trade profit exceeds this amount, only 60% (70% for corporate income up to the tax assessment period 2078) of the excess amount can be offset by tax loss carry-forwards. The

remaining 40% (30% for corporate income up to the tax assessment period 2028) of the taxable income or the taxable trade profit are subject to corporate income tax and trade tax (so-called minimum taxation – *Mindestbesteuerung*). Generally, tax loss carry-forwards that are not utilized may be carried forward and be used to offset by future income, subject to the application of the minimum taxation rules.

However, interest carry-forwards, tax loss carry-forwards and unused losses of the current year are forfeited in full if more than 50% of the subscribed capital, membership rights, participation rights or voting rights in the Company are transferred, directly or indirectly, to an acquirer or related parties of such acquirer (or a group of acquirers with common interest) within a period of five years or in case of comparable measures (harmful acquisition - *schädlicher Beteiligungserwerb*). Certain intra-group restructurings are excluded. If and to the extent the tax loss carry-forwards and unused losses of the current year as well as the interest carry-forwards are covered by the built-in gains of the loss-making company's business assets that are subject to domestic taxation a forfeiture of such items will generally not apply. In this context, an allocation of the built-in gains of business assets to interest carry-forwards is subordinated to the allocation of built-in gains to loss carry-forwards/unused losses. Alternatively, the forfeiture of accrued losses, loss carry-forwards and interest carry-forwards can be avoided upon application of the taxpayer provided that the company has been continuously operating the same business operations since its establishment or at least within a period including the past three tax assessment periods preceding and including the tax assessment period, in which the harmful transfer of shares or voting rights takes place, and that none of further pre-determined events has occurred during this period (so-called continuation-bound loss carry-forward). Furthermore, if any of these pre-determined events (including the discontinuation of the business operations) occurs in a subsequent period, any continuation-bound loss carry-forward remaining after this period is forfeited.

18.2 Taxation of Shareholders

Shareholders may be subject to taxation in connection with the holding of shares ("**Taxation of Dividends**"), the sale of shares ("**Taxation of Capital Gains**") and the gratuitous transfer of shares ("**Inheritance and Gift Tax**").

18.3 Taxation of Dividends

18.3.1 No Taxation in Case of Payments from a Contribution Account for Tax Purposes

The Company may pay dividends out of a contribution account for tax purposes (*steuerliches Einlagekonto*), Section 27 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz* – "*KStG*"). To the extent the Company pays dividends from such contribution account for tax purposes in accordance with statutory requirements, such dividends are not subject to withholding tax, personal income tax (*Einkommensteuer*) or corporate income tax (*Körperschaftsteuer*), as the case may be (including the solidarity surcharge (*Solidaritätszuschlag*) and church tax (*Kirchensteuer*), if applicable). Any dividends paid out of a contribution account for tax purposes would, however, lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gains upon the shareholder's sale/disposal of the shares. Special rules apply to the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of the shares (details are outlined below).

18.3.2 Withholding tax

Dividends distributed by the Company that are not paid out of the contribution account for tax purposes are subject to a tax deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%) and church tax, if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by the Company's shareholders' meeting.

In general, the withholding tax must be withheld regardless of whether and to what extent the dividend is exempt from taxation at the level of the shareholder and whether the shareholder is domiciled in Germany or in a foreign country.

If shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, one of the following entities is responsible and authorized to collect withholding tax in Germany and to remit it to the relevant tax authority for the account of the relevant shareholder: (a) a domestic bank or financial service institute (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) or a domestic securities institute (*Wertpapierinstitut*), including the domestic branches of foreign banks or financial service institutes, which holds the shares in custody or that manages such shares and that pays out or credits the dividend or that pays the dividend to a foreign entity, or (b) the central securities depository (*Wertpapiersammelbank*) holding the collective deposit shares in custody if it pays the dividend to a foreign entity, or (c) the Company itself if and to the extent shares that are held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are treated as shares being held separately (*abgesetzte Bestände*) (each person within the meaning of (a) through (c) being a **"Dividend Paying Agent"**). Aside from shares being held separately (*abgesetzte Bestände*), the Company generally does not assume any responsibility for the withholding of withholding tax on its dividends.

Where dividends are distributed to a company resident in another member state of the EU within the meaning of Article 2 of Council Directive 2011/96/EU of 30 November 2011, on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states, as amended (the **"Parent-Subsidiary Directive"**), withholding of the dividend withholding tax may not be required (such withholding tax exemption is only available if the shares in the Company are treated as shares being held separately as described below, otherwise only a refund is available) or may be refunded, in each case only upon application and provided that certain additional requirements are met. This also applies to dividends distributed to a permanent establishment located in another member state of the EU of such parent company or of a parent company that is tax resident in Germany, if the shares in the dividend-paying subsidiary are part of the respective permanent establishment's business assets. Further prerequisite for the exemption from withholding at the source or a refund of withholding tax under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Company's registered share capital continuously for twelve months; in addition, in order to be exempt from withholding tax, the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), with its registered office in An der Kiippe 1, 53225 Bonn, Germany, must have certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed electronic form via the online portal of the German Federal Central Tax Office (*BZSt-Online-Portal*), that the prerequisites for exemption have been met. If there is a holding of at least 10%

of the Company's registered share capital and the shares held in collective safe custody by Clearstream are treated as shares being held separately, the main paying agent (*Hauptzahlstelle*) may refrain from deducting withholding tax from dividends, assuming a valid exemption certificate (*Freistellungsbescheinigung*) and proof that the relevant shares have been held separately are presented. An exemption certificate is granted upon application via the online portal of the German Federal Central Tax Office.

The dividend withholding tax rate for dividends paid to shareholders without a tax residence in Germany will be reduced in accordance with any applicable double taxation treaty between Germany and the relevant shareholder's country of residence, provided that the shares are neither held as part of the business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying electronically via the online portal of the German Federal Central Tax Office for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which usually amounts to between 5% and 15%. Depending on the applicable double taxation treaty, a reduced withholding tax rate may already be applicable in the tax withholding process if the shareholder has electronically applied via the online portal of the German Federal Central Tax Office for an exemption certificate (*Freistellungsbescheinigung*). The applicable double taxation treaty may also provide for a full exemption from the German dividend withholding tax, if the relevant shareholder has directly held at least 10% of the Company's registered share capital and if further prerequisites are met.

Corporations that are not tax residents in Germany will upon application receive a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. Further reduction or exemption may be granted under the Parent-Subsidiary Directive or a double taxation treaty. The relevant application has to be submitted via the online portal of the German Federal Tax Office.

Foreign corporations will generally have to meet certain prerequisites, i.e., stringent substance criteria, defined by statute in order to receive an exemption from, or (partial) refund of, German dividend withholding tax. These rules, inter alia, generally require that a shareholder maintains its own administrative substance in the country of its tax residence and conducts its own business activities.

Pursuant to special rules which restrict the right for a credit or refund of withholding tax, the aforementioned relief in accordance with applicable double taxation treaties as well as the credit and refund of withholding tax described for shares held as private and as business assets (see Section 18.3.3 "*Taxation of Dividends of Shareholders with a Tax Residence in Germany*") is subject to the following three cumulative prerequisites: (a) the relevant shareholder must qualify as beneficial owner of the shares in the Company for a continuous period of at least 45 days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (b) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Company during the minimum holding period without being directly or indirectly hedged, and (c) the shareholder is not required to fully or largely, directly or indirectly, transfer the dividends to third parties (the tests under (a) through (c) together the "**Minimum Risk Test**").

Should any of the three prerequisites not be met, the following applies: As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends may not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base in an assessment procedure for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax (i.e., due to a tax exemption without qualifying for a full tax credit) or that has already obtained a refund of taxes withheld, has to notify the competent local tax office accordingly, file a withholding tax return for an amount of 15% of the relevant dividends and pay the withholding tax in the amount stated in the aforementioned withholding tax return. The special rule on the restriction of withholding tax credit or refund does not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed EUR 20,000.00 or who has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends. As regards the taxation of dividends of shareholders without a tax residence in Germany who have applied for a full or partial refund of the withholding tax pursuant to a double taxation treaty, no refund is available. This restriction does not apply to a shareholder (a) that directly holds at least 10% of the shares in the Company and that is subject to (corporate) income tax in the country of its tax residence without any exemptions, or (b) that has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends, or (c) if the applicable tax rate pursuant to the applicable double taxation treaty is at least 15%.

In addition to the aforementioned statutory provisions, the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) has published decrees outlining the treatment of transactions where the credit of withholding tax will be denied even when the statutory minimum tests described above are met, in order to prevent abuse.

Prospective shareholders should seek their own professional advice as to whether they can obtain a tax credit or tax refund with respect to withholding taxes on dividends.

In case of individual shareholders holding shares in the Company as private assets, the Dividend Paying Agent which keeps or administrates the shares and pays or credits the capital investment income is required to create so-called pots for offsetting losses (*Verlustverrechnungstöpfe*) to allow for negative capital investment income to be set off against current and future positive capital investment income. A set-off of negative capital investment income at one Dividend Paying Agent against positive capital investment income at another Dividend Paying Agent is only possible in the course of the income tax assessment procedure at the level of the respective shareholder. In such case, the relevant shareholder has to apply for a certificate continuing the amount of losses not offset with the Dividend Paying Agent where the pot for offsetting losses exists. The application is irrevocable and must reach the Dividend Paying Agent until 15 December of the respective year, as otherwise the losses will be carried forward by the respective Dividend Paying Agent to the following year.

Withholding tax will not be withheld by a Dividend Paying Agent if the shareholder provides such.

Dividend Paying Agent with an application for exemption (*Freistellungsauftrag*) to the extent such shareholder's capital investment income does not exceed the annual savers' allowance (*Sparerpauschbetrag*) of EUR 1,000.00 (EUR 2,000.00 for jointly filing individuals) as outlined on the application for exemption. Furthermore, no withholding tax will be levied if the shareholder

provides the Dividend Paying Agent with a non-assessment certificate (*Nichtveranlagungsbescheinigung*) to be applied for with the competent tax office.

18.3.3 Taxation of Dividends of Shareholders with a tax residence in Germany

18.3.3.1 Shares held as Private Assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold their shares in the Company as private assets, the withholding tax of 25% plus solidarity surcharge of currently 5.5% thereon, resulting in a total tax rate of 26.375% (plus church tax, if applicable) will generally serve as a final tax (i.e., once such tax has been deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return (*Abgeltungsteuer* (the "**Flat Tax**"))).

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned (i.e., taxation that is irrespective of the individual's personal income tax rate). Shareholders may apply to have their entire capital investment income, including dividends paid by the Company, assessed in accordance with the general rules and at the individual's personal progressive income tax rate if this results in a lower tax burden. In this case, the base for taxation is the gross dividend income less the annual savers' allowance of EUR 1,000.00 (EUR 2,000.00 for jointly filing individuals). Subject to the Minimum Risk Test (see above), any tax, solidarity surcharge and church tax (if applicable) withheld is credited against the income tax, solidarity surcharge and church tax (if applicable) so determined in the tax assessment procedure, and any overpayment refunded. Income-related expenses cannot be deducted in either case. The only possible deduction is the annual savers' allowance of EUR 1,000.00 (EUR 2,000.00 for jointly filing individuals) on the entire private capital investment income. Furthermore, dividend income can only be offset by losses from capital investment income, except for losses generated by the disposal of shares.

If the individual owns (a) at least 1% of the shares in the Company and — by virtue of his or her professional activity (*berufliche Tätigkeit*) for the Company — is able to exercise a significant entrepreneurial influence on the business activity of the Company, or (b) at least 25% of the shares in the Company, the tax authorities may upon application allow for the dividends to be taxed under the partial-income method applying the individual income tax rate instead of the Flat Tax (see Section 18.3.3.2.2 "*Sole Proprietors (Individuals)*").

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the German Federal Central Tax Office against the sharing of his or her private information regarding his or her affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense (*Sonderausgabe*). 26.375% of the church tax withheld on the dividends is, however, deducted from the withholding tax (including the solidarity surcharge) withheld. If no church tax is withheld along with the withholding tax, the shareholder who owes church tax is required to declare his or her dividends in his or her income tax return. The church tax on the dividends will then be imposed by way of a tax assessment.

Contrary to the above, dividend payments that are funded from the Company's contribution account for tax purposes and are paid to shareholders who are tax resident in Germany and whose shares are held as private assets, do not form part of the shareholder's taxable income, but reduce the acquisition costs for such shares. If the dividend payment funded from the Company's contribution account for tax purposes exceeds the shareholder's acquisition costs, the German tax authorities take the view that negative acquisition costs will arise which may result in a higher capital gain in case of a disposal of the shares. This will not apply if (a) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his or her legal predecessors at any point during the five years preceding the disposal directly or indirectly held at least 1% of the share capital of the Company (a "**Qualified Participation**") and (b) the dividend payment funded from the Company's contribution account for tax purposes exceeds the acquisition costs of the shares. In case of a Qualified Participation, a dividend payment funded from the Company's contribution account for tax purposes is considered a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Company's contribution account for tax purposes exceeds the acquisition costs of the shares. In this case the taxation corresponds to the taxation of capital gains of shareholders maintaining a Qualified Participation (see Section 18.4 "*Taxation of Capital Gains*").

18.3.3.2 Shares held as Business Assets

The Flat Tax does not apply to dividends from shares of the Company held as business assets of shareholders who are tax resident in Germany. In this case, the taxation depends on whether the shareholder is a corporation, an individual or a partnership. Subject to the Minimum Risk Test (see above), the withholding tax withheld and paid to the tax authorities, including the solidarity surcharge (and church tax, if applicable), is credited against the income or corporate income tax and the solidarity surcharge (and church tax, if applicable) of the shareholder, and any overpayment will be refunded. Dividend payments that are funded from the Company's contribution account for tax purposes and paid to shareholders who are tax resident in Germany and whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholders. At the same time such dividend payments lead to a corresponding reduction of the acquisition costs/book value for the relevant shares. To the extent the dividend payments funded from the Company's contribution account for tax purposes exceed the acquisition costs/book value of the shares, a taxable capital gain should occur. The taxation of such gain corresponds to the taxation of shareholders whose shares are held as business assets (see Section 18.4 "*Taxation of Capital Gains*"). As regards the application of the 95% exemption in case of a corporation, this is, however, not undisputed.

18.3.3.2.1 Corporations

In general, dividends received by corporations that are tax resident in Germany are effectively 95% exempt from corporate income tax and solidarity surcharge. 5% of the dividends are, however, treated as non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%.

Portfolio dividends (i.e., dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the beginning of the respective calendar year) are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% in an economically uniform transaction during a calendar year is

deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a commercial partnership are only attributable to such shareholder on a pro rata basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and with a direct business relationship to the dividends may be fully deducted.

Any dividends (after deducting business expenses related to the dividends) are fully subject to trade tax, unless the corporation held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intercorporate privilege for trade tax purposes. In such case, 95% of the dividend income is exempt for trade tax purposes. The applicable trade tax depends on the tax rate imposed by the local municipalities in which the shareholder maintains its operations or permanent establishment (*Gewerbesteuerhebesatz*).

Special rules apply to companies operating in the financial and insurance sectors, as well as pension funds (see Section 18.5 "*Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*")

18.3.3.2.2 Sole Proprietors (Individuals)

If the shares in the Company are held as part of the business assets of a sole proprietor (individual) with his or her tax residence in Germany, 40% of any dividend is tax exempt (so-called partial income method (*Teileinkünfteverfahren*)). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method also applies when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). The partial income method does, however, not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the respective shareholder held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from trade tax. Trade tax is, however, generally credited, in full or in part, as a lump sum against the relevant shareholder's personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of such shareholder.

18.3.3.2.3 Commercial Partnerships

If a shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge (and church tax, if applicable) are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, dividends are generally 95% tax exempt. Dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are, however, fully subject to taxation (see Section 18.3.3.2.1 "*Corporations*" above). If the partner is an individual and the shares are held as business assets of the partnership, only 60% of the dividend income is subject to income tax. In this case, the partial income method does not apply with respect to church tax, if applicable (see

Section 18.3.3.2.2 "*Sole Proprietors (Individuals)*" above). Upon application and subject to further conditions, an individual who is a partner can have his or her personal income tax rate lowered for earnings not withdrawn from the partnership.

In addition, if the shares are held as business assets of a domestic permanent establishment of an actual or presumed commercial partnership, the full amount of dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on the relevant partner's portion of the partnership's income is generally credited as a lump sum, in full or in part, against the individual's personal income tax liability depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of such shareholder. If the partnership held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, the dividends (after deduction of business expenses economically related thereto) should generally not be subject to trade tax. In this case, trade tax should, however, be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in the Company are attributable on a look-through basis, since this portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to partners other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only portfolio participations are attributable) should not be subject to trade tax. Due to a lack of case law and administrative guidance, the application of the rules for the taxation of dividends paid to commercial partnerships is, however, unclear. Consequently, shareholders are strongly recommended to consult their own certified tax advisors.

Partnerships may elect to be treated as a corporation for purposes of German income taxation. If the shareholder of the Company is a partnership that has validly exercised such option right ("**Opting Partnership**"), the dividends are subject to corporate income tax and trade tax generally according to the same rules that apply to corporations (see Section 18.3.3.2.1 "*Corporations*" above).

18.3.4 Taxation of dividends of shareholders without a tax residence in Germany

Dividends paid to shareholders of the Company (individuals and corporations) without a tax residence in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. Subject to the Minimum Risk Test (see above), the withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed with respect to dividend withholding tax (see Section 18.3.2 "*Withholding Tax*" above).

Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) are generally not taxable in Germany.

18.4 Taxation of Capital Gains

18.4.1 Taxation of Capital Gains of Shareholders with a tax residence in Germany

18.4.1.1 Shares held as Private Assets

Gains on the sale or disposal of shares of the Company that are held as private assets by shareholders with a tax residence in Germany and which were acquired after 31 December 2008, are generally taxable regardless of the length of holding period. The tax rate is generally a uniform 25% plus 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as church tax, if applicable.

The taxable capital gains are the difference between (a) the proceeds from the disposal of the shares after deducting the direct sales costs and (b) the acquisition costs of the shares. Under certain conditions, payments from the Company's contribution account for tax purposes reduce the acquisition costs of the shares and may lead to negative acquisition costs, which can increase capital gains if such shares are held as private assets and do not qualify as a Qualified Participation. Losses on the sale or disposal of shares can only be used to offset gains made on the sale or disposal of shares (in the Company or in other stock corporations) during the same assessment period or in subsequent assessment periods.

If the shares are held in custody or administered by a domestic bank or financial service institute or a domestic securities institute including the domestic branches of foreign banks and financial service institutes, or if such entity or branch sells the shares and pays out or credits the capital gains (each a "**Domestic Paying Agent**"), such Domestic Paying Agent withholds a withholding tax of 25% plus 5.5% solidarity surcharge thereon and any church tax, if applicable, and remits such taxes to the tax authority. In such a case, the tax on the capital gain will generally be discharged. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire such shares. The withholding tax rate of 25% plus 5.5% solidarity surcharge thereon and any church tax, if applicable, will, however, be applied to 30% of the gross sales proceeds, if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified, or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain exceeds 30% of the gross proceeds required to, verify the original costs of the shares in his or her annual tax return.

Entities required to collect withholding taxes on capital investment income are also required to withhold the church tax for shareholders who are subject to church tax, unless the shareholder objects in writing to the German Federal Central Tax Office against the sharing of his or her private information regarding his or her affiliation with a denomination. If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense. 26.375% of the church tax withheld on the capital gain is, however, deducted from the withholding tax (including the solidarity surcharge) withheld.

If withholding tax or, if applicable, church tax on capital gains is not withheld by a Domestic Paying Agent, the respective shareholder is required to declare the capital gains in his or her income tax return. The income tax, the solidarity surcharge and any applicable church tax on the capital gains will then be collected by way of assessment.

In general, it is not possible to deduct income-related expenses in connection with capital gains, except for expenses directly related in substance to the disposal, which can be deducted when calculating the capital gains. Only the annual savers' allowance of EUR 1,000.00 (EUR 2,000.00 for jointly filing individuals) may be deducted from the entire capital investment income.

A shareholder may request that his or her entire capital investment income, along with his or her other taxable income, are subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. In such case, the base for taxation would be the gross income less the annual savers' allowance of EUR 1,000.00 (EUR 2,000.00 for jointly filing individuals). The prohibition on deducting income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax withheld is credited against the income tax so determined in the tax assessment procedure, and any overpayment is refunded subject to the general requirements.

One exception to this rule is that a shareholder's capital gains are subject to the partial income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale or disposal of shares are subject to the individual income tax rate, if the shareholder, or his or her legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of the Company's share capital at any time during the previous five years. 60% of the expenses economically related to the proceeds from the sale or disposal of shares are tax-deductible. The partial income method does not apply to church tax.

In case of a Qualified Participation, withholding tax (including the solidarity surcharge and church tax, if applicable) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is required to declare the gains from the sale in his or her income tax return. The withholding tax (including solidarity surcharge and church tax, if applicable) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax liability, and any overpayment will be refunded.

Withholding tax will not be withheld by a Domestic Paying Agent if the shareholder provides such Domestic Paying Agent with an application for exemption, to the extent such shareholder's capital investment income does not exceed the annual savers' allowance of EUR 1,000.00 (EUR 2,000.00 for jointly filing individuals). Furthermore, no withholding tax will be levied if the shareholder provides the Domestic Paying Agent with a non-assessment certificate to be applied for with the competent tax office.

18.4.1.2 Shares held as Business Assets

The Flat Tax does not apply to proceeds from the sale or disposal of shares of the Company held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, the taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership. Dividend payments that are funded from the Company's contribution account for tax purposes reduce the original acquisition costs/book value. This may give rise to a higher taxable capital gain in case of a sale

or disposal of shares. If the dividend payments funded from the Company's contribution account for tax purposes exceed the original acquisition costs/book value for tax purposes, a taxable capital gain may arise.

If a Domestic Paying Agent is involved, the proceeds from the sale or disposal of shares of the Company held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see Section 18.4.1.1 "*Shares Held as Private Assets*"). The Domestic Paying Agent may, however, refrain from withholding the withholding tax if (a) the shareholder is a corporation, association or estate with its tax residence in Germany, or (b) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the relevant shareholder's (corporate) income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

18.4.1.2.1 Corporations

In general, capital gains earned from the sale or disposal of shares by corporations domiciled in Germany are effectively 95% exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the holding period of the shares. 5% of the capital gains are, however, treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax. Losses from the sale of shares and any reductions in profits connected therewith generally do not qualify as tax-deductible business expenses.

18.4.1.2.2 Sole proprietors (Individuals)

If the shares of the Company form part of the business assets of a sole proprietor (individual) who is tax resident in Germany, only 60% of the capital gains on their sale are subject to the individual's personal tax rate plus the solidarity surcharge thereon (partial income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax can be fully or partially credited as a lump sum against the shareholder's personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of such shareholder.

18.4.1.2.3 Commercial Partnerships

If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in Section 18.4.1.2.1 ("*Corporations*") above apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in Section 18.4.1.2.2 "*Sole proprietors (Individuals)*" above apply. Upon application and provided that additional prerequisites are met, an individual

who is a partner may obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale or disposal of shares of the Company attributable to a permanent establishment maintained in Germany by an actual or presumed commercial partnership are subject to trade tax at the level of the partnership. In such case, generally only 60% of the gains are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares in corporations are sold. Under the principles discussed above, losses on sales and other reductions in profits related to the shares sold are generally not deductible if the partner is a corporation, and only 60% thereof are taken into account if they are attributable to the share in the profits of an individual. If the partner is an individual, the trade tax the partnership pays on his or her share of the partnership's income is generally credited as a lump sum, in full or in part, against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the respective taxpayer.

If the shareholder is an Opting Partnership, any gain from the sale or disposal of the shares of the Company is subject to corporate tax and trade tax generally according to the same rules that apply to corporations (see Section 18.4.1.2.1 "*Corporations*" above). If the Opting Partnership has, upon the election for the treatment as a corporation for German income tax purposes, applied for a tax-neutral roll-over of the book value of the shares, the sale or disposal of the shares within a period of seven years after the election took effect will generally result in a retroactive taxation of the built-in gains in the shares at that time.

Special rules apply to companies operating in the financial and insurance sectors, as well as pension funds (see Section 18.5 "*Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

18.4.2 Taxation of Capital Gains of Shareholders without a tax residence in Germany

Capital gains realized upon the disposal of shares in the Company by a shareholder without a tax residence in Germany are only subject to German income tax if the selling shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

The German Federal Fiscal Court (*Bundesfinanzhof*) has stated that if the shareholder is a corporation that is neither tax resident in Germany nor maintains a permanent establishment or has appointed a permanent representative in Germany, the capital gains on the disposal of a Qualified Participation are not subject to German taxation. The German tax authorities have adopted this view.

If the shareholder is an individual and holds a Qualified Participation as a private asset, only 60% of the gains on the disposal of the shares in the Company are subject to progressive income tax, plus solidarity surcharge thereon. Where a Domestic Paying Agent is involved, withholding tax on capital gains is generally levied at a rate of 25%, plus 5.5% solidarity surcharge thereon. If, however, (a) the shares are not held through a permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany and (b) a Domestic Paying Agent is involved, then the German tax authorities have taken the view that the Domestic Paying Agent is, in general, not required to withhold tax on capital investment

income, plus solidarity surcharge thereon. In case of a Qualified Participation, the capital gains must be declared in a tax return and are taxed by way of a tax assessment, subject to an exemption under a double taxation treaty or under domestic law.

For gains or losses on the disposal of shares of the Company that can be allocated to a domestic permanent establishment or fixed place of business, or which are part of business assets for which a permanent representative in Germany has been appointed, the aforementioned principles for shareholders with a tax residence in Germany whose shares are business assets apply accordingly (see Section 18.4.1.2 "*Shares Held as Business Assets*"). The Domestic Paying Agent may refrain from deducting withholding tax, if the shareholder declares to the Domestic Paying Agent on the official form that the shares form part of domestic business assets and certain other requirements are met. Most double taxation treaties provide for an exemption from German taxes, assigning the right of taxation to the shareholder's country of tax residence in the former case.

18.5 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

As an exception to the aforementioned rules, dividends paid to, and capital gains realized by, certain companies in the financial and insurance sector are fully taxable. This applies to dividends received on, as well as gains from the sale or disposal of, shares that are allocated to the trading portfolio (*Handelsbestand*) within the meaning of Section 340e (3) German Commercial Code (*Handelsgesetzbuch* – "*HGB*") of credit institutions, securities institutions and financial services institutions, and shares that are, upon acquisition of the shares, allocated to the current assets (*Umlaufvermögen*) of a financial enterprise (*Finanzunternehmen*) within the meaning of the German Banking Act (*Kreditwesengesetz* – "*KWG*") that is directly or indirectly held by a credit institution or financial services institution, securities institution to more than 50%. The same applies to shares of the Company held as investments by life insurance providers, health insurance providers and pension funds. Yet an exemption to the foregoing (i.e., and thus a 95% effective tax exemption) applies to dividends obtained by the aforementioned companies to which the Parent-Subsidiary Directive applies. Further relief from German taxation might be obtained pursuant to an applicable double taxation treaty, subject to further prerequisites.

18.6 Amendments to the Solidarity Surcharge

The solidarity surcharge has been partially abolished or reduced for certain German taxpayers. The solidarity surcharge continues, however, to apply for corporate income tax and capital investment income and, thus, on withholding taxes levied. In case the individual income tax burden for an individual shareholder is lower than 25% the shareholder can apply for his or her capital investment income to be assessed at his or her individual tariff-based income tax rate in which case solidarity surcharge would be refunded.

18.7 Inheritance and Gift Tax

The transfer of shares of the Company to another person by way of gift or upon death is generally subject to German inheritance or gift tax if:

- the decedent, donor, heir, beneficiary or other transferee maintained his or her residence or habitual abode in Germany, or had its place of management or registered offices in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German

expatriates with residence in the United States) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their residence nor have their habitual abode in Germany), or

- independent of these individual circumstances, the decedent's or donor's shares belonged to business assets for which there had been a permanent establishment in Germany or a permanent representative in Germany had been appointed, or
- the decedent or the donor, at the time of the succession or gift, held a direct or indirect interest of at least 10% of the Company's registered share capital either alone or jointly with other related parties.

The small number of double taxation treaties in respect of inheritance and gift tax which Germany has concluded to date usually provide for German inheritance or gift tax only to be levied in the cases under (i) and, subject to certain restrictions, as stated under (ii) above. Special provisions apply to certain German nationals living outside of Germany and to former German nationals who are resident outside Germany.

The fair value of the shares represents the tax assessment base, which generally corresponds to the stock exchange price of the Company's shares. Depending on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

18.8 Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares of the Company. Provided that certain requirements are met, an entrepreneur for value-added tax purposes may, however, opt for the payment of value-added tax on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

The European Commission published a proposal for a directive for a common financial transaction tax in certain participating Member States, including Germany. Such directive could, depending on the actual circumstances, apply to certain transactions in the Company's shares, including with respect to secondary market transactions. The issuance and subscription of shares should, however, be exempt. The proposed financial transaction tax remains subject to negotiations between the participating Member States. It is currently unclear in what form and when a financial transaction tax will be implemented, if at all. Prospective shareholders are advised to monitor future developments closely and should consult their own tax advisors in relation to the consequences of a financial transaction tax.

19. RECENT DEVELOPMENTS AND OUTLOOK

19.1 Recent Developments

Between 31 December 2025 and the date of this Prospectus, the electrovac Group's net sales were 10% higher than the average for the previous three quarters (1 April until 31 December 2025). The electrovac Group's production performance showed a similar growth rate as its net sales. The Book to Bill-Ratio of the last quarter (1 January 2026 to 31 March 2026) was 1.33, i.e. the new orders received by the electrovac Group exceed sales by 33%.

Inventories, costs and sales prices show no significant change since December 2025.

By resolution of the extraordinary Shareholders' Meeting of the Company held on 22 January 2026, the Company's registered share capital was increased by EUR 11,660,000 from EUR 500,000 to EUR 12,160,000 through conversion of capital reserves into share capital.

electrovac germany GmbH entered into a bank loan agreement in the amount of EUR 3,000,000 to finance the capacity extension in the Personal Safety business area (see Section 11.8.3 "*Promotional loan (Förderdarlehen) between electrovac germany GmbH and Unicredit Bank GmbH*"). EUR 1,500,000 of this loan was drawn down in March 2026.

The current political situation surrounding the war in the Persian gulf and blocking of the strait of Hormuz has no direct negative impact on supply chains of the electrovac Group. The increase of energy prices will only have a minor impact on profitability; energy costs account for about 2% of the electrovac Group's net sales.

The business development for the financial year 2025/26 meets the expectation of the management and should outperform last year's net sales which are expected to exceed EUR 116 million.

19.2 Outlook / Trend Information

In the medium term, revenue growth is expected to be particularly strong within Aerospace and Defense, driven by key product groups. This includes a special air defense project with an order backlog of EUR 4.8 million and an expected CAGR above 150 % (FY 22/23 to FY 25/26). Products for large calibre ammunition are also in high demand (expected net sales CAGR > 33% FY22/23 to FY25/26). Revenue share of Aerospace and Defense products should exceed 25% in the medium term and account for a significant share of profits.

Personal Safety is also expected to show continued growth in the medium term. With stricter safety regulations worldwide, catch-up processes in Asia and additional applications for e-Mobility as key drivers, management expects the share of content per vehicle to increase continuously. Significant potential through balanced dual sourcing at large customers adds to growth perspectives. The revenue share of Personal Safety products should exceed 50% in the medium term.

Other Mobility and Industry is expected to perform a shift towards high margin businesses in the medium term. While applications for internal combustion engines should gradually be phased out, other areas such as med-tech or energy show a lot of potential. The revenue share of Other Mobility and Industry products should fall to below 25% in the medium term.

Overall, visibility based on rollout of current products and joint development projects with customers promises strong growth rates for the years to come with the mix shift in revenues supporting positive margin development.

The Company is pursuing a strategy aimed at expanding its business in the medium term, with a view to exceeding net sales of EUR 150 million and maintaining an EBIT margin level above 12%.

20. GLOSSARY

12th BImSchV	Hazardous Incident Ordinance (<i>Zwölfte Verordnung zur Durchführung des Bundes-Immissionsschutzgesetzes</i>).
Admission to Trading	Admission of the shares on the regulated market (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard).
Admission Shares	The New Shares and all 12,160,000 existing bearer shares (<i>Inhaberaktien</i>) with no par value (<i>Stückaktien</i>) of the Company.
AG	German stock corporation (<i>Aktiengesellschaft</i>).
AI	Artificial Intelligence.
AktG	German Stock Corporation Act (<i>Aktiengesetz</i>).
AML	Obligations relating to anti-corruption, anti-bribery and anti-money laundering.
APQP	Advanced Product Quality Planning.
Audited Consolidated Financial Statements	Audited consolidated financial statements of the electrovac Group in accordance with IFRS as at and for the financial years ended on 31 March 2023, 2024 and 2025.
AWG	German Foreign Trade and Payments Act (<i>Außenwirtschaftsgesetz</i>).
aws	Austria Wirtschaftsservice Gesellschaft mit beschränkter Haftung.
AWSV	German Federal Water Act and the Ordinance on Installations Handling Substances Hazardous to Water (<i>Verordnung über Anlagen zum Umgang mit wassergefährdenden Stoffen</i>).
AWV	German Foreign Trade and Payments Ordinance (<i>Außenwirtschaftsverordnung</i>).
BAFA	German Federal Office for Economic Affairs and Export Control (<i>Bundesamt für Wirtschaft und Ausfuhrkontrolle</i>).
BaFin	The German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>).
BankM	BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127.

BAuA	Federal Institute for Occupational Safety and Health (<i>Bundesanstalt für Arbeitsschutz und Arbeitsmedizin</i>).
BDSG	German Federal Data Protection Act (<i>Bundesdatenschutzgesetz</i>).
Beutlhauser Family	Christian and Michael Beutlhauser.
BfR	German Federal Institute for Risk Assessment (<i>Bundesinstitut für Risikobewertung</i>).
BGB	German Civil Code (<i>Bürgerliches Gesetzbuch</i>).
BImSchG	German Federal Immission Control Act (<i>Bundesimmissionsschutzgesetz</i>).
BMWK	German Federal Ministry for Economic Affairs and Climate Action (<i>Bundesministerium für Wirtschaft und Klimaschutz</i>).
bnUSD	Billions of US Dollars.
Book to Bill-Ratio	The book-to-bill ratio shows the relationship between new orders and revenue to date.
CAGR	Compound Annual Growth Rate.
CA Proposition 65	California Proposition 65.
CBP	U.S. Customs and Border Protection.
ChemG	Law on Protection against Hazardous Substances 1 (<i>Gesetz zum Schutz vor gefährlichen Stoffen 1</i>).
ChemVerbotsV	Regulation on prohibitions and restrictions on the marketing and distribution of certain substances, mixtures, and products under the Chemicals Act (<i>Verordnung über Verbote und Beschränkungen des Inverkehrbringens und über die Abgabe bestimmter Stoffe, Gemische und Erzeugnisse nach dem Chemikaliengesetz</i>).
Chinese RMB / CNY	Renminbi; official currency of China.
Code	The German Corporate Governance Code.
Company	electrovac AG, Anglstraße 4, 94121 Salzweg, Germany registered with the commercial register at the local court of Passau under HRB 10281.
Conflict Minerals Regulation	Conflict Minerals Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017.
CSRD	Corporate Sustainability Reporting Directive (EU) 2022/2464.

Cyber Resilience Act	Regulation (EU) 2024/2847 of 23 October 2024.
Designated Sponsor	BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127.
DirectPlace System	Subscription functionality system of the Frankfurt Stock Exchange.
DIW	German Institute for Economic Research (<i>Deutsches Institut für Wirtschaftsforschung</i>).
EBIT	Earnings before interest and taxes.
EBITDA	Earnings before interest, taxes, depreciation, and amortization.
ECHA	European Chemicals Agency.
EEA	European Economic Area.
EFSA	European Food Safety Authority.
EFTA	European Free Trade Association.
EHS Regulations	Governmental regulations relating to the protection of environment, health and safety matters.
ElektroG	German Electrical and Electronic Equipment Act (<i>Elektro- und Elektronikgerätegesetz</i>).
electrovac AG	electrovac AG, Anglstraße 4, 94121 Salzweg, Germany, registered with the commercial register at the local court of Passau under HRB 10281.
electrovac components	electrovac components GmbH & Co. KG, Salzweg (formerly Beuthauser GmbH & Co. KG).
Electrovac EMG	Electrovac Metall–Glaseinschmelzungs GmbH, Klosterneuburg, Austria (future electrovac austria GmbH).
Electrovac FR	Electrovac France SAS, Paris, France.
electrovac germany	electrovac germany GmbH, Salzweg (formerly Electrovac Hacht und Huber GmbH).
electrovac Group	The Company with all its direct and indirect subsidiaries.
electrovac Holding	Electrovac Holding AG, Chur, Switzerland.
Electrovac JP	Electrovac Japan K.K., Osaka, Japan.

Electrovac Thailand/TH	Electrovac (Thailand) Co., Ltd., registered with the Company & Partnership Registration Office, Bangkok under Registration Number 0195558000669.
Electrovac USA	Electrovac Inc., New York, USA.
EPA	U.S. Environmental Protection Agency.
ERP-Fund	European Recovery Program Fund.
ESG	Environmental, Social and Governance Obligations.
ESOP	Employee Stock Option Plan.
EU	European Union.
EUR	Euro; The single European currency adopted by certain participating member states of the EU, including Germany.
EURIBOR	Euro Interbank Offered Rate.
EÜV	Self-Monitoring Ordinance (<i>Eigenüberwachungsverordnung</i>).
Existing Shares	12,160,000 existing ordinary bearer shares (Inhaberaktien) with no par value (Stückaktien).
Existing Shareholders	Electrovac Holding AG and Christoph and Michael Beuthauser.
FTE	Full-time equivalents.
FY	Financial year as in financial year from 1 April 2022 to 31 March 2023, FY 22/23.
GADSL	Global Automotive Declarable Substance List (industrial standards).
GDP	Gross Domestic Product.
GDPR	General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016.
GebrMG	German Utility Model Act (<i>Gebrauchsmustergesetz</i>).
GefStoffV	Regulation on protection against hazardous substances (<i>Verordnung zum Schutz vor Gefahrstoffen</i>).
GeschGehG	German Act on the Protection of Trade Secrets (<i>Geschäftsgeheimnisgesetz</i>).
GGBefG	German Dangerous Goods Transportation Act (<i>Gefahrgutbeförderungsgesetz</i>).

GWB	German Act against Restraints of Competition (<i>Gesetz gegen Wettbewerbsbeschränkungen</i>).
HGB	German Commercial Code (<i>Handelsgesetzbuch</i>).
IAS	International Accounting Standards.
IED	Directive 2010/75/EU of the European Parliament and of the Council of 24 October 2010 on industrial emissions (Industrial Emissions Directive).
IFRS	International Financial Reporting Standards.
IMDS	International Material Data System (industrial standard).
IMF	International Monetary Fund.
Investor Mix	Composition of the group of shareholders in the Company.
IP	Intellectual Property.
IPO	Initial Public Offering.
ISIN	International Securities Identification Number.
Issuer	electrovac AG, Anglstraße 4, 94121 Salzweg, Germany, registered with the commercial register at the local court of Passau under HRB 10281.
IT	Information technology.
JPY	Japanese yen; official currency of Japan.
Joint Bookrunner(s)	BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127, and B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main, Germany, LEI 529900IOG1ENLW4SUU53.
Joint Global Coordinator(s)	BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127, and B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main, Germany, LEI 529900IOG1ENLW4SUU53.
Joint Lead Manager(s)	BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127, and B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main, Germany, LEI 529900IOG1ENLW4SUU53.

Joint Underwriter(s)	BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127, and B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main, Germany, LEI 529900IOG1ENLW4SUU53.
kEUR/TEUR	Thousands of Euros.
KfW	German state-owned investment and development bank (<i>Kreditanstalt für Wiederaufbau</i>), based in Frankfurt.
KrWG	German Circular Economy Act (<i>Kreislaufwirtschaftsgesetz</i>).
LEI	Legal entity identifier.
MAR/Market Abuse Regulation	The Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
MarkenG	German Trade Mark Act (<i>Markengesetz</i>).
Market Surveillance Regulation	European Regulation on Market Surveillance EU 2019/1020.
Metzler	B. Metzler seel. Sohn & Co. Aktiengesellschaft, Untermainanlage 1, 60329 Frankfurt am Main, Germany, LEI 529900IOG1ENLW4SUU53.
mEUR	Millions of Euros.
MüG	German Act on Market Surveillance (<i>Marktüberwachungsgesetz</i>).
NADCAP certification	National Aerospace and Defense Contractors Accreditation Program.
New Shares	3,840,000 newly issued ordinary bearer shares (<i>Inhaberaktien</i>) with no par value (<i>Stückaktien</i>) from a capital increase for a contribution in cash to be resolved by an extraordinary general shareholders' meeting of the Company presumably on or about 27 April 2026.
NIS2	Directive (EU) 2022/2555 on Network and Information Security.
OECD	Organisation for Economic Co-operation and Development.
Offer Terms	Number of Offered Shares, the Price Range, Offer Price and the Offer Period.
Offered Shares	Placement Shares and Overallotment Shares.
Offering	Offering of up to 4,761,000 bearer shares (<i>Inhaberaktien</i>) of the Company with no par value (<i>Stückaktien</i>), each such share representing a notional value of EUR 1.00.

ohm	The standard unit of electrical resistance.
Overallotment Shares	Up to 621,000 existing bearer shares (<i>Inhaberaktien</i>) with no par value (<i>Stückaktien</i>) from the holdings of the Selling Shareholder in connection with a possible Overallotment.
PatG	German Patent Act (<i>Patentgesetz</i>).
Paying Agent	BankM AG, Baseler Str. 10, 60329 Frankfurt am Main, Germany, LEI 5299001H21LR9DLCC127.
PCN	Special approval and change notification requirements.
Personal Safety	The Company's business area in personal safety.
PFAS	Specific regulations for per- and polyfluoroalkyl substances.
Placement Shares	New Shares and Selling Shares.
Placement Volume	Final number of Shares to be allocated to investors.
PLD 1985	Council Directive 85/374/EEC of 25 July 1985.
PLD 2024	Directive (EU) 2024/2853 on liability for defective products.
PoPs	Specific regulations for persistent organic pollutants.
PPAP	Production Part Approval Process.
Price Range	The price range at which the Offered Shares are offered.
Prime Standard	Market segment at Frankfurt Stock Exchange with additional post-admission obligations.
ProdHaftG	Product Liability Act (<i>Produkthaftungsgesetz</i>).
ProdSG	Law on Product Safety (<i>Produktsicherheitsgesetz</i>).
Prospectus	This prospectus.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended.
PRTR	Pollutant Release and Transfer Register.
R&D	Research and Development.
REACH Regulation	Regulation (EC) No. 1907/2006 (Registration, Evaluation, Authorization and Restriction of Chemicals).

RMI	Responsible Minerals Initiative.
RoHS	Restriction of Hazardous Substances in Electrical and Electronic Equipment; 2002/95/EC (RoHS 1); 2011/65/EU (RoHS 2).
SchadRegProtAG	German Act implementing the Protocol on Pollutant Release and Transfer Registers of 21 May 2003 and implementing Regulation (EC) No. 166/2006.
Securities Act	United States Securities Act of 1933.
Selling Shareholder	Electrovac Holding AG.
Selling Shares	300,000 existing bearer shares (<i>Inhaberaktien</i>) with no par value (<i>Stückaktien</i>) from the holdings of the Selling Shareholder.
Seveso III Directive	Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012.
SGB	German Social Security Code (<i>Sozialgesetzbuch</i>).
Share(s)	Each share / the total of shares of the Company.
Shareholders' Meeting	Issuer's shareholders' meeting (<i>Hauptversammlung</i>).
Stabilization Manager	BankM, or persons acting on its behalf, acting as stabilization manager in the name and for the account of the Joint Bookrunners.
Stabilization Period	30 calendar days from the date the Shares of the Company are traded for the first time on the regulated market of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>).
StGB	German Criminal Code (<i>Strafgesetzbuch</i>).
TA Lärm	German Technical Instructions for Protection against Noise.
TA Luft	German Technical Instructions for Air Quality Control.
Thai Baht	Official currency of Thailand.
THB	Thai Baht.
tnUSD	Trillions of US Dollars.
TrinkwV	German drinking water directive (<i>Verordnung über die Qualität von Wasser für den menschlichen Gebrauch</i>).
TSCA	U.S. Toxic Substances Control Act.
UGB	Austrian Commercial Code (<i>Unternehmensgesetzbuch</i>).

Unaudited Interim Consolidated Financial Statements.....	interim consolidated financial statements of the electrovac Group in accordance with IFRS for the period of 1 April 2025 until 31 December 2025.
Underwriting Agreement	The underwriting agreement entered into on 15 April 2026 by the Company, the Selling Shareholder and the Joint Underwriters for the offer and sale of the Offered Shares in connection with the Offering.
UrhG.....	German Copyright Act (<i>Urheberrechtsgesetz</i>).
US Dollars (USD/US\$)	US Dollars; legal currency of the United States.
UWG.....	German Act Against Unfair Competition (<i>Gesetz gegen den unlauteren Wettbewerb</i>).
VDA.....	German Association of the Automotive Industry (<i>Verband der Automobilindustrie</i>).
WEEE.....	Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (last amended by Directive (EU) 2024/884 of the European Parliament and of the Council of 13 March 2024).
WHG.....	German Water Resources Act (<i>Wasserhaushaltsgesetz</i>).
WKN	German Securities Identification Number (<i>Wertpapierkennnummer</i>).
WpHG.....	German Securities Trading Act (<i>Wertpapierhandelsgesetz</i>).
WpPG	German Securities Prospectus Act (<i>Wertpapierprospektgesetz</i>).
XETRA.....	The electronic trading system of the Frankfurt Stock Exchange.

21. Financials

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**A Consolidated statement of comprehensive income for
the period from 1 April to 31 December 2025**

(in kEUR)	Note	01/04/2025- 31/12/2025	01/04/2024- 31/12/2024
Sales	1.4	85,934	71,027
Cost of Sales		-67,583	-58,425
Gross profit		18,351	12,602
Selling expenses		-3,131	-2,918
Administrative expenses		-3,979	-3,189
Research and development expenses	1.5	-935	-876
Other operating income/expenses	1.6	216	1,187
EBIT		10,521	6,806
Interest income		43	50
Interest expenses		-1,351	-1,471
Net financial income		-1,308	-1,422
Profit before tax		9,213	5,385
Income taxes		-1,962	-1,252
Deferred taxes		-71	0
Profit for the year		7,180	4,132
Other comprehensive income			
reclassified to profit or loss at a later date			
Currency translation differences, foreign operations		-83	498
Other comprehensive income after tax		-83	498
Total comprehensive income		7,097	4,630
of which electrovac AG shareholders		7,097	4,630
Earnings per share (basic/diluted) in EUR		14,36	8,26
of which electrovac AG shareholders		14,36	8,26

B Consolidated balance sheet as of 31 December 2025

Balance sheet as of 31 December 2025

Assets

(in kEUR)	Note	31 December 2025	31 March 2025
Non-current assets			
Property, plant and equipment	1.7	23,452	23,829
Goodwill	1.8	7,735	7,735
Intangible assets		2,480	2,766
Right of use	1.13	6,265	6,526
Financial assets	1.11	93	350
Investment properties		832	902
Deferred tax assets		86	86
		40,944	42,193
Current assets			
Inventories	1.9	36,280	31,478
Trade receivables	1.10	10,869	8,456
Other assets	1.5, 1.11	1,697	3,524
Cash and cash equivalents		2,288	1,588
		51,133	45,046
Total assets		92,077	87,239

Balance sheet as of 31 March 2025

Liabilities

(in kEUR)	Note	31 December 2025	31 March 2025
Equity			
Issued share capital		500	500
Capital reserve		29,015	29,015
Profit carried forward		-234	-151
Profit for the year	1.11	20,066	15,236
		49,348	44,601
Non-current liabilities			
Financial liabilities	1.12	4,183	5,345
Leasing liabilities	1.13	8,379	8,745
Liabilities for post-employment benefits	1.14	2,170	2,246
Deferred tax liabilities	9	517	451
		15,250	16,787
Current liabilities			
Financial liabilities	1.12	12,302	9,746
Leasing liabilities	1.13	1,425	1,428
Provisions		621	621
Trade payables	1.15	4,232	4,924
Tax liabilities		2,253	2,064
Other liabilities	1.16	6,647	7,069
		27,479	25,851
Total liabilities		92,077	87,239

C Consolidated cash flow statement for the period 1 April to 31. December 2025

(in kEUR)

	Note	01.04.2025- 31.12.2025	01.04.2024- 31.12.2024
Cash flows from operating activities			
Profit for the period		7,180	4,132
Amortization on intangible assets		4,066	3,735
Financial result		1,308	1,422
Tax result		2,033	1,252
Taxes paid		-1,493	-523
Other non-cash items		-170	503
		12,924	10,521
Changes in net working capital			
Changes in inventories and prepayments for inventories		-4,802	-4,009
Changes in trade account receivables		-2,413	681
Changes Other receivables & prepayments		508	196
Changes in trade payables		-692	-1,514
Changes in other liabilities		-702	-746
Cash flow from changes in working capital		-8,101	-5,392
Cash flow from operating activities		4,823	5,129
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment	1.7	-2,360	-3,483
Acquisition of financial assets		0	-408
Cash flow from investing activities		-2,360	-3,891
Cash flows from financing activities			
Repayments from other non-current liabilities	1.12	-1,994	-2,181
Recognition of financial liabilities	1.12	684	904
Change in overdrafts	1.12	2,704	3,722
Repayments of lease liabilities		-1,080	-933
Interest paid		-1,308	-1,422
Dividends paid	1.11	-768	-400
Cash flow from financing activities		-1,763	-309
Net change		699	929
Liquid funds beginning of the period		1,588	1,202
Liquid funds end of the period		2,288	2,132
Total changes of liquid funds		699	929

As of the reporting date, the offsetting of a distribution against existing loan receivables from shareholders (see note 1.11) represents a significant non-cash transaction in the investment and financial area.

D Consolidated statement of changes in equity

	Notes	Subscribed capital	Capital reserve	Other reserves	Retained earnings	Group equity Total
		kEUR	kEUR	kEUR	kEUR	kEUR
As of 1 April 2024		500	29,015	-431	10,438	39,522
Dividend (-)					-385	-385
Total result for the period (+/-)				498	4,132	4,630
<i>of which currency translation</i>				498		
As of 31 December 2024		500	29,015	66	14,185	43,767
As of 1 April 2024		500	29,015	-151	15,236	44,601
Dividend (-)	1.11				-2,350	-2,350
Total result for the period (+/-)				-83	7,180	7,097
<i>of which currency translation</i>				-83		
As of 31 December 2025		500	29,015	-234	20,066	49,348

E Notes to the consolidated financial statements

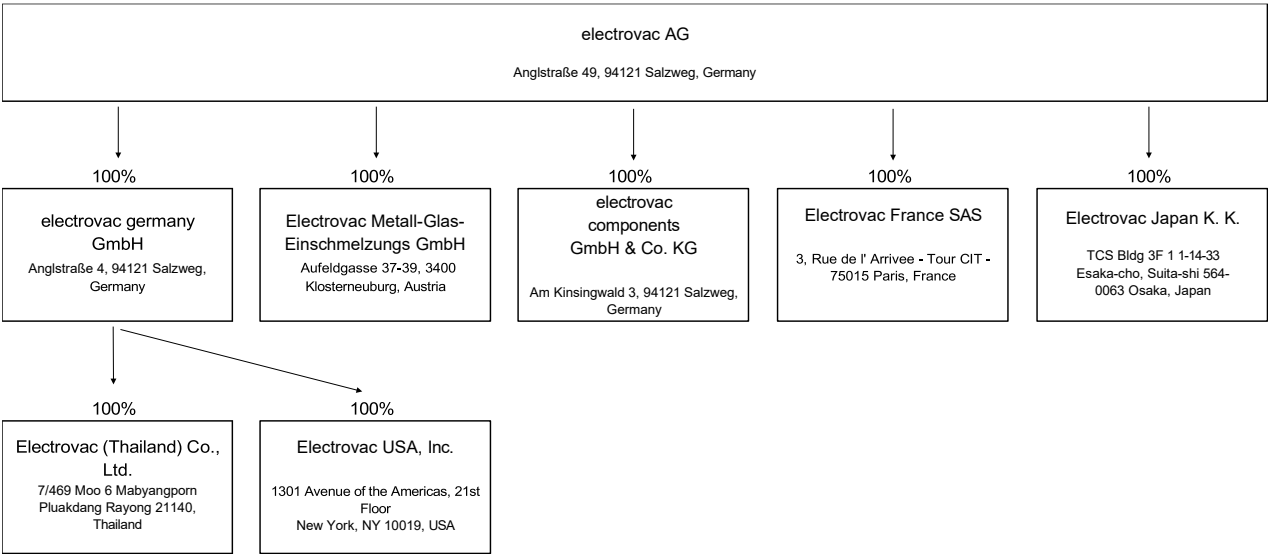
The Electrovac Group is an international technology group operating in the field of glass-to-metal feedthroughs, which are used as the basis for the development and manufacture of hermetic housings for electronic components. The company develops and manufactures large and small series parts for automotive applications and industrial applications. The products ensure the functionality of electronic components under difficult environmental conditions, such as high temperatures, high pressure, vacuum, oil or moisture.

The company is not subject to any material seasonal influences.

1.1 Consolidation scope and reporting date

All companies within the Group are fully consolidated. Beuthauser Verwaltungs GmbH (general partner of Beuthauser GmbH & Co. KG) is excluded from consolidation as it is not considered material.

The Group structure is as follows:



The consolidated financial statements of electrovac AG for the financial year ending 31 December 2025 continue to comprise the following companies:

Name of company	Registered office	Share of capital
Electrovac germany GmbH	Germany	100%
Electrovac Thailand Co: Ltd.	Thailand	100%
Electrovac Inc.	USA	100%
Electrovac components GmbH & Co. KG	Germany	100%
Electrovac Metall-Glasdurchführungs GmbH	Austria	100%
Electrovac France SAS	France	100%
Electrovac Japan K.K.	Japan	100%

In November 2025, Electrovac Hacht und Huber GmbH was renamed electrovac germany GmbH and Beutlhauser GmbH & Co. KG was renamed electrovac components GmbH & Co. KG

1.2 Basics for preparing the interim consolidated financial statements

The consolidated financial statements of the Electrovac Group are prepared in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting”, as adopted by the EU, and presented in condensed form.

The condensed interim financial statements do not contain all the information and disclosures required in a full set of consolidated financial statements at year-end. They should therefore be read in conjunction with the consolidated financial statements as at 31 March 2025.

In preparing the condensed consolidated interim financial statements, the accounting and measurement policies applied are consistent with those used in the preparation of the consolidated financial statements as at 31 March 2025, with the exception described below.

In the consolidated statement of cash flows as at 31 March 2025, the overdraft facility was included in cash and cash equivalents. For consistently negative overdraft balances, inclusion in cash and cash equivalents under IAS 7.8 is not permitted; the previous presentation was therefore incorrect. Consequently, in the statement of cash flows as at 31 December 2025 the overdraft facility is presented within cash flows from financing activities and disclosed there as a change in overdraft facility. The statement of cash flows for the prior-year interim reporting period has been adjusted accordingly. Under the previous approach, cash flow from financing activities in the prior-year period would have amounted to kEUR -4,031 instead of the current kEUR -309, and the net change would have been kEUR -2,793 instead of the current kEUR 929. Under the previous approach, cash and cash equivalents would have amounted to kEUR -3,976 as at 1 April 2025 and kEUR -5,980 as at 30 September 2025.

The use of judgments, estimates and the consolidation methodology has not changed compared to the consolidated financial statements as at 31 March 2025.

The reporting date for all entities included in the consolidated interim financial statements is 31 December.

New IFRS / IAS standards (amendments to IAS 21 “Lack of Exchangeability”), which are applied for the first time as at 31 December 2025, have no impact on the consolidated interim financial statements. With regard to new standards that have not yet entered into force, the overview and explanations in the consolidated financial statements as at 31 March 2025 remain applicable.

The consolidated interim financial statements are prepared on the basis of the going concern assumption, which presumes that the Group is able to meet all of its payment obligations.

Management is not aware of any material uncertainties related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern.

1.3 Foreign currency translation and functional presentation currency

The methodology for foreign currency translation and the functional presentation currency (Euro) have not changed compared to the consolidated financial statements as at 31 March 2025.

General exchange rates					
EUR per		<u>2025/26</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2024/25</u>
		<u>31.12.25</u>	<u>31.03.25</u>	<u>01.04 bis 31.12.25</u>	<u>01.04 bis 31.12.25</u>
US dollar	USD	1,18	1,08	1,16	1,08
Thai baht	THB	37,22	36,71	37,60	37,76
Yen	YEN	184,09	161,60	172,73	164,72

1.4 Sales

	Financial Years	
	01.04.-31.12.25	01.04.-31.12.24
Gross sales	85,975	71,067
Reductions in revenue	-41	-40
Net sales	85,934	71,027

	Financial Years	
	01.04-31.12.25	01.04.-31.12.24
electrovac germany	46,527	43,287
Electrovac EMG	16,598	13,969
Electrovac TH	14,174	7,249
Electrovac JP	2,761	1,801
electrovac components	5,915	4,761
Total	85,975	71,067

	Financial Years	
	01.04-31.12.25	01.04.-31.12. 24
Europe	46,693	42,346
USA	10,268	10,370
Asia / Far East	26,978	17,377
Other	2,035	974
Total	85,975	71,067

The increase in revenue compared to the prior-year period is partly due to an expansion of production at the Thai plant and, in this context, higher call-offs by customers. In addition, the rise in revenue reflects price effects as well as increased demand in the area of special applications. The increase in revenue also led to higher cost of sales. The improvement in the ratio of cost of sales to revenue is primarily attributable to economies of scale.

1.5 Administrative expenses

As of 31 December 2025, administrative expenses include a non-recurring effect in the amount of kEUR 205 incurred in connection with the planned IPO of electrovac AG. In addition, costs of kEUR 253 are deferred with no impact on profit or loss (reported under "Current other receivables and assets"), which will be recognized as a deduction from equity at the time of the IPO.

Compared with the prior-year period, provisions for personnel expenses also increased, driven in part by the positive earnings situation.

1.6 Other operating income / expenses

The deviations compared to the prior-year period are primarily attributable to foreign exchange differences (in particular from USD, CNY and THB/EUR). The balance of foreign exchange differences amounted to kEUR -515 as of 31 December 2025, compared with kEUR 302 in the prior-year period.

1.7 Property, plant and equipment

Property, plant and equipment comprise the following:

in kEUR	Financial years	
	31.12.2025	31.03.2025
Land, land rights and buildings on third-party land	891	936
Technical equipment and machinery	18,770	15,647
Factory and office equipment	2,057	2,043
Assets under construction	1,212	4,425
Advance payments made on fixed assets	523	778
Total property, plant and equipment	23,452	23,829

At the beginning of the reporting period, machinery for the expansion of production at the Thai plant was brought into operation. Accordingly, a reclassification was made from “Assets under construction” to “Technical equipment and machinery.”

The slight decrease in the carrying amount of property, plant and equipment is primarily due to lower capital expenditures compared with the prior-year period and regular depreciation (see also cash flow from investing activities in the statement of cash flows).

1.8 Goodwill

As of 31 December 2025, there are no indications that an impairment of the cash-generating units is required. No impairment losses were necessary in the prior-year period either.

1.9 Inventories

Inventories are composed as follows:

in kEUR	Financial years	
	31.12.2025	31.03.2025
Raw materials and consumables	24,505	20,968
Unfinished goods	10,256	9,359
Finished goods and trade goods	7,625	6,905
Inventories gross	42,387	37,233
Less allowances for inventories	-6,107	-5,755
Inventories net	36,280	31,478

Due to increased customer demand, including from the second production line at the Thai plant,

and price effects, inventories increased compared with 31 March 2025.

1.10 Trade receivables

Trade receivables are, as in the prior year, due within one year and are composed as follows (in kEUR):

	Financial years	
	31.12.2025	31.03.2025
Trade receivables	11,147	8,680
FX effect	-101	-179
Value adjustment for irrecoverable and doubtful receivables	-158	-26
Value adjustment for expected losses in accordance with IFRS 9	-10	-10
FVOCI measurement	-9	-9
Total trade receivables	10,869	8,456

The development of trade receivables also reflects the growth in revenue. It should be noted that the effect from factoring and forfaiting, at kEUR 8,522, is slightly above the level as of 31 March 2025 (kEUR 7,974).

1.11 Equity

In the reporting period, it was resolved to distribute a dividend of kEUR 2,350 for the 2024/2025 financial year. Of this amount, kEUR 1,582 was offset against existing loan receivables from shareholders.

Capital gains tax and remaining payments are reflected as cash-effective items in the statement of cash flows as of 31 December 2025. The loans were previously reported under "Current other receivables and assets" and "Non-current financial assets."

1.12 Financial liabilities

Financial liabilities are broken down as follows (in kEUR):

	Financial years	
	31.12.2025	31.03.2025
Non-current financial liabilities	4,162	5,325
Long-term derivatives	21	21
Non-current financial liabilities	4,183	5,345

Current financial liabilities	2,100	2,000
Current account liabilities	8,268	5,564
Current portion of long-term financial liabilities	1,934	2,182
Current financial liabilities	12,302	9,746
Total financial liabilities	16,485	15,091

The increased utilization of financial liabilities, in particular overdraft facilities, is attributable to the rise in net working capital.

As of 31 March 2025, the Group had bank loans that were subject to certain financial covenants. These bank loans were repaid in full by 31 December 2025.

1.13 Leasing liabilities

Rights of use decreased compared with 31 March 2025 primarily due to scheduled depreciation, and the corresponding lease liabilities were reduced accordingly.

1.14 Long-term personnel provisions

The long-term personnel provisions reported in the balance sheet are composed as follows (in kEUR):

	Financial years	
	31.12.2025	31.03.2025
Severance pay provision	1,186	1,246
Jubilee payments	538	531
Provision for partial retirement	344	375
Other provisions for severance payments	102	93
Liabilities for non-current post-employment benefits	2,170	2,245

1.15 Trade payables

Trade payables are lower at the reporting date than at the end of the 2024/2025 financial year.

1.16 Other current liabilities

Other current liabilities are lower at the reporting date than at the end of the 2024/2025 financial year. By 31 December 2025, in particular collectively agreed special payments, which fall due on a calendar-year basis, had been made.

1.17 Overview of financial instruments

The Group's financial assets and financial liabilities developed as follows in the financial years (in kEUR):

Carrying amounts of financial instruments by category in accordance with IFRS 9 and their fair values in kEUR						
Assets	Category in accordance with IFRS 9	Carrying amount 31 December 25	at amortised cost	at fair value recognised in equity	at fair value in the income statement recognised	Fair value 31 December 25
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
Long-term receivables from derivatives Other	AC					
long-term financial receivables	Hedge accounting					
	AC	68	68			68
Current financial assets						
Trade receivables	FVOCI	10,869		10,869		10,869
Cash and cash equivalents	AC	2,288	2,288			
Loans granted	AC					
Current receivables from derivatives Other	FVTPL					
current financial receivables	AC	219	219			
Liabilities						
Long-term financial liabilities						
Long-term loan liabilities	AC	4,162	4,162			4,122
Long-term liabilities from derivatives Other long-term	Hedge Accounting	21		21		21
financial liabilities	AC					
Short-term financial liabilities						
Trade payables						
Short-term loan liabilities	AC	4,232	4,232			
Short-term liabilities from derivatives Other short-term	AC	12,302	12,302			
financial liabilities	FVTPL					
	AC	240	240			
Financial assets at fair value through profit or loss	FVTPL					
Financial assets at amortised cost	AC					
Financial assets at fair value through other comprehensive	FVOCI					
income Financial liabilities at fair value through profit or loss	FVTPL					
Financial liabilities at amortised cost	AC					
Carrying amounts of financial instruments according to the categories under IFRS 9 and their fair values in kEUR						
Assets	Category according to IFRS 9	Carrying amount 31 March 24	at amortised cost	at fair value recognised in equity	at fair value in the income statement recognised	Fair value 31 March 24
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
Long-term receivables from derivatives Other	AC	281	281			281
long-term financial receivables	Hedge accounting					
	AC	69	69			69
Current financial assets						
Trade receivables	FVOCI	8,456		8,456		8,456
Cash and cash equivalents	AC	1,588	1,588			
Loans granted						
Current receivables from derivatives Other						

current financial receivables	AC	1,311	1,311			
	FVTPL					
	AC	213	213			
Liabilities						
Long-term financial liabilities						
Long-term loan liabilities	AC	5,345	5,345			5,273
Long-term liabilities from derivatives Other long-term financial liabilities	Hedge Accounting	21		21		21
Current financial liabilities Trade payables Current loan liabilities Current liabilities from derivatives Other current financial liabilities	AC					
	AC	4,924	4,924			
	AC	9,746	9,746			
	FVTPL					
	AC	1,118	1,118			
Financial assets at fair value through profit or loss Financial assets at amortised cost	FVTPL AC					
Financial assets at fair value through other comprehensive income Financial liabilities at fair value through profit or loss	FVOCI FVTPL					
Financial liabilities at amortised cost	AC					

No fair value is disclosed for short-term financial instruments, as it is simplistically assumed that, due to their short maturities, fair value approximates carrying amount. With regard to the valuation techniques used in determining the fair values of Level 2 and Level 3 instruments, as well as the significant unobservable inputs applied, there have been no changes compared with the 2024/2025 financial year-end. Trade receivables classified as FVOCI are, as at the 2024/2025 financial year-end, assigned to Level 2 of the fair value hierarchy.

1.18 Related companies and persons

The group of related parties (companies and individuals) has not changed compared with 31 March 2025. During the reporting period, the usual operational business relationships took place. In addition, loan receivables from shareholders were settled against a dividend payable during the reporting period (see note 1.11).

1.19 Events after balance sheet date

In preparation for the planned IPO of electrovac AG, the Annual General Meeting resolved on 22 January 2026 to implement a capital increase from company funds in the amount of kEUR 11,660. This had no impact on the Group's assets, financial position or results of operations as of the balance sheet date.

In January 2026, Electrovac Metall-Glaseinschmelzungs GmbH was renamed electrovac austria GmbH.

The attack on Iran on 28 February 2026 and the ongoing conflict in the Middle East are considered non-adjusting events for the consolidated interim financial statements as at 31 December 2025. Accordingly, there are no effects on the assets, financial position or results of operations of the Electrovac Group as of the balance sheet date.

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A Consolidated statement of comprehensive income for the financial year 2024/2025

(in kEUR)	Notes	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Sales	1	98,163	87,616
Cost of Sales	2	-80,301	-75,488
Gross profit		17,862	12,128
Selling expenses	3	-3,824	-3,578
Administrative expenses	4	-4,413	-3,968
Research and development expenses	5	-1,183	-1,033
Other operating income/expenses	7	666	864
EBIT		9,109	4,414
Interest income	8	76	27
Interest expenses	8	-1,969	-1,986
Net financial income		-1,893	-1,959
Profit before tax		7,215	2,455
Income taxes	9	-2,035	-483
Deferred taxes	9	3	-48
Profit for the year		5,183	1,924
Other comprehensive income			
Reclassified to profit/loss at a later date			
Foreign operations currency-translation differences	20	336	-274
Measured at fair value other comprehensive income	17, 28	-36	9
Not reclassified to profit or loss at a later date			
Actuarial gains/losses	23.1	-35	-79
Taxes attributable to other comprehensive income	9	16	11
Other comprehensive income after tax		281	-333
Total comprehensive income		5,464	1,591
of which electrovac AG shareholders		5,464	1,591
of which non-controlling interests		0	0
Earnings per share (basic/diluted) in EUR	20	10.37	3.85
of which electrovac AG shareholders		10.37	3.85

B Consolidated balance sheet as at 31 March 2025

Balance sheet as at 31 March 2025

Assets

(in kEUR)	Notes	31 March 2025	31 March 2024
Non-current assets			
Property, plant and equipment	10	23,829	23,492
Goodwill	12	7,735	7,735
Intangible assets	11	2,766	2,890
Rights of use	13	6,526	6,844
Financial assets	15	350	343
Investment properties	14	902	941
Deferred tax assets	9	86	178
		42,193	42,423
Current assets			
Inventories	16	31,478	26,578
Trade receivables	17	8,456	8,217
Other assets	18	3,524	2,223
Cash and cash equivalents	19	1,588	1,202
		45,046	38,220
Total assets		87,239	80,643

Balance sheet as at 31 March 2025**Liabilities**

(in kEUR)	Notes	31 March 2025	31 March 2024
Equity			
Issued share capital	20	500	500
Capital reserve	20	29,015	29,015
Profit carried forward	20	-151	-431
Profit for the year	20	15,236	10,438
		44,601	39,522
Non-current liabilities			
Financial liabilities	22	5,345	6,219
Leasing liabilities	13	8,745	9,282
Liabilities for post-employment benefits	23	2,246	2,319
Deferred tax liabilities	9	451	551
		16,787	18,371
Current liabilities			
Financial liabilities	22	9,746	9,028
Leasing liabilities	13	1,428	1,249
Provisions	24	621	658
Trade payables	25	4,924	5,099
Tax liabilities	26	2,064	560
Other liabilities	27	7,069	6,156
		25,851	22,751
Total liabilities		87,239	80,643

C Consolidated cash flow statement as at 31 March 2025

(in kEUR)

	Notes	31 March 2025	31 March 2024
Cash flows from operating activities			
Profit for the period		5,183	1,924
Depreciation on property, plant and equipment	10.11	5,579	4,786
Gain from the sale of fixed assets	7	-19	-22
Non-current provisions	23	-155	27
Financial result	8	1,893	1,959
Tax result	9	2,032	531
Income tax paid out	9	-375	-803
Other non-cash items	20	257	-268
		14,395	8,134
Changes in net working capital			
Changes in inventories	16	-4,900	28
Changes in trade receivables	17	-239	-1,063
Changes Other receivables & prepaid expenses	18	-779	1,270
Changes in trade payables	25	-175	662
Changes in other liabilities	27	1,151	166
Changes in current provisions	24.26	-37	0
Cash flow from changes in working capital		-4,979	1,322
Cash flow from operating activities		9,416	9,456
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment	10.11	-4,465	-4,315
Acquisition of financial assets	15.18	-400	-1,030
Proceeds from asset sales	10.11	35	341
Interest received	8	10	27
Cash flow from investing activities		-4,820	-4,976
Cash flows from financing activities			
Repayments from other non-current liabilities	22	-2,890	-2,425
Recognition of financial liabilities	22	1,425	3,780
Repayments of lease liabilities	13	-1,364	-1,247
Interest paid	8	-1,886	-1,908
Dividends paid	20	-785	-427
Cash flow from financing activities		-5,500	-2,227
Changes in cash and cash equivalents due to changes in the scope of consolidation			
Cash flow from expansion of the scope of consolidation		0	0
Net change		-904	2,252
Liquid funds at the beginning of the period	19	-3,072	-5,325
Liquid funds at the end of the period	19	-3,976	-3,072
Total changes of liquid funds		-904	2,252

D Consolidated statement of changes in equity

	Notes	Issued share capital	Reserves			Retained earnings	Group equity Total
			Capital reserve	Other reserves	Total		
		kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
As at 1 April 2023		500	29,015	-99	28,916	8,914	38,330
Dividend (-)	20					-400	-400
Total result for the period (+/-)	20			-333	-333	1,924	1,591
of which currency translation				-279	-279		
of which insurance-related profit/loss				-61	-61		
of which from cash flow hedge				6	6		
of which receivables valuation				1	1		
As at 31 March 2024		500	29,015	-431	28,584	10,438	39,522
As at 1 April 2024		500	29,015	-431	28,584	10,438	39,522
Dividend (-)	20					-385	-385
Total result for the period (+/-)	20			281	281	5,183	5,464
of which currency translation				336	336		
of which insurance-related profit/loss				-27	-27		
of which from cash flow hedge				-21	-21		
of which receivables valuation				-7	-7		
As at 31 March 2025		500	29,015	-151	28,864	15,236	44,601

E Notes to the consolidated financial statements

1. The reporting company

The Electrovac Group is an international technology group operating in the field of glass-to-metal feedthroughs, which are used as the basis for the development and manufacture of hermetic housings for electronic components. The company develops and manufactures large and small series parts for automotive applications and industrial applications. The products ensure the functionality of electronic components under difficult environmental conditions, such as high temperatures, high pressure, vacuum, oil or moisture.

With more than 70 years of outstanding development, material and technology expertise, Electrovac offers a broad portfolio of high-quality products and intelligent solutions. In cooperation with its customers, the company guarantees a high degree of professionalism and comprehensive know-how in the development of product solutions.

Electrovac is also very well positioned in the international market with several locations and highly automated production of large series products. This enables the company to offer its customers competitive prices. Based on its highly developed manufacturing technologies, the company strategically strives for quality leadership.

The company relies on highly qualified and long-standing employees who support and implement the company's vision of developing high-volume products to high industrial standards and manufacturing them on automated production lines. Its status as the sole supplier to renowned customers is testament to its development and manufacturing expertise.

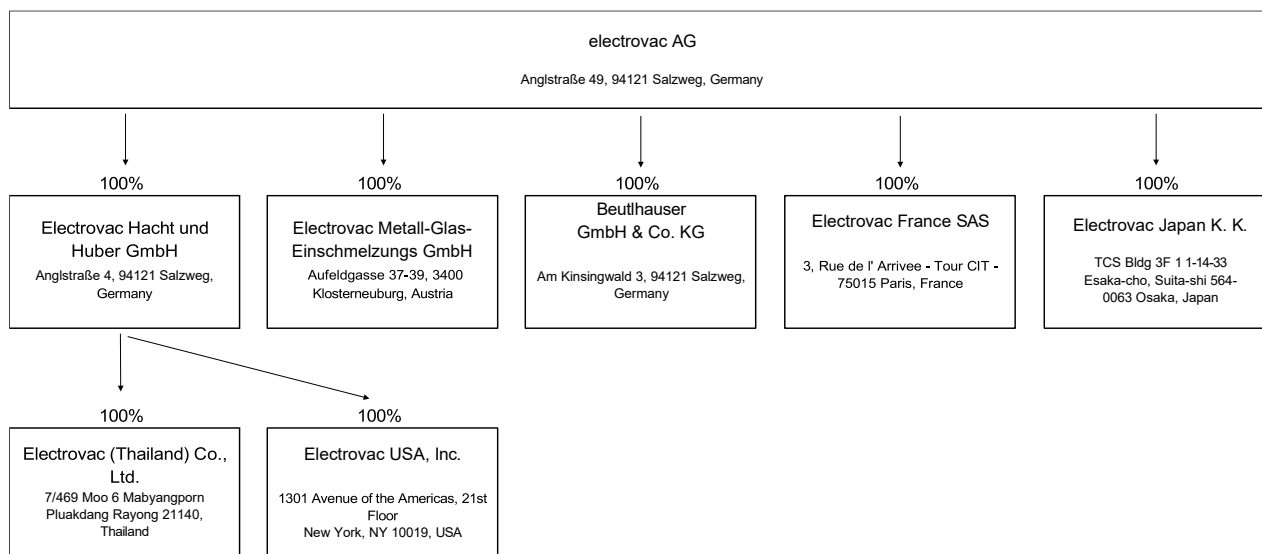
Glass bushings of all kinds, which are used as insulators in the automotive industry and in a wide variety of industrial applications, form the focus of the production and sales programme. They are produced by the subsidiaries Electrovac H&H (large-scale series production), Electrovac EMG (component, sample and small series production), Beutlhauser KG (contact pins) and Electrovac TH (series production for the Asian market).

To support the Group's expansion strategy, the company has subsidiaries in the USA, Japan and France, which focus on the distribution of the Group's product portfolio in their respective target markets.

1.1 Consolidation scope and reporting date

All companies within the Group are fully consolidated. Beutlhauser Verwaltungs GmbH (general partner of Beutlhauser GmbH & Co. KG) is excluded from consolidation as it is not considered material.

The Group structure is as follows:



The consolidated financial statements of electrovac AG for the financial year ending 31 March 2025 continue to comprise the following companies:

Name of company	Registered office	Share of capital	Initial consolidation date	Consolidation method
electrovac AG	Germany	Parent company	-	-
Electrovac Hacht und Huber GmbH	Germany	100%	31 March 2018	Revaluation method
Electrovac Thailand	Thailand	100%	31 March 2018	Revaluation method
Electrovac USA	USA	100%	31 March 2018	Revaluation method
Beuthauser GmbH & Co. KG	Germany	100%	31 March 2018	Revaluation method
Electrovac Metall-Glaseinschmelzungs GmbH	Austria	100%	31 March 2018	Revaluation method
Electrovac France	France	100%	31 March 2018	Revaluation method
Electrovac Japan	Japan	100%	31 March 2018	Revaluation method

1.2 Basis for preparing the financial statements

The consolidated financial statements of the Electrovac Group are prepared in accordance with Section 315e (3) in conjunction with (1) of the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS) as applicable in the EU. The consolidated financial statements have been prepared in accordance with the requirements of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These consolidated financial statements, prepared in accordance with IFRS, release the Group from the obligation to prepare consolidated financial statements in accordance with German commercial law.

The balance sheet date for all companies included in the consolidated financial statements is 31 March. The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation methods.

The consolidated financial statements are prepared on a going concern basis, which assumes that the Group is able to meet all its payment obligations.

Management is not aware of any significant uncertainties relating to events or conditions that raise substantial doubt about the Group's ability to continue as a going concern.

IFRS 1 was implemented as part of the first-time application of IFRS as at 31 March 2018. Adjustments from the initial conversion of the national financial statements were recognised in retained earnings and capital reserves via the contribution values without affecting profit or loss. Consolidation-related effects on earnings, e.g. the elimination of interim profits on inventories, are included in retained earnings.

1.3 Foreign currency translation and functional presentation currency

Foreign currency transactions during the year are translated at the exchange rate on the date of the transaction. Gains and losses arising from such transactions and translation differences from the measurement of monetary assets and liabilities at the reporting date (subsequent measurement) are recognised in the consolidated statement of comprehensive income.

For consolidation purposes, the annual financial statements of foreign companies are translated into euros using the functional currency concept. All companies operate their businesses independently in economic, financial and organisational terms in their respective local currencies. Assets and liabilities are recognised at the respective closing rate as at 31 March 2025. Equity is measured at the historical rate at the time of initial consolidation. Expenses and income are translated at the respective average rate for the financial year.

Currency translation differences arising from the translation of the financial statements of foreign subsidiaries are recognised in the statement of comprehensive income under other comprehensive income and reported in other reserves as currency translation adjustments in equity.

Unless otherwise stated, all financial information presented in euros has been rounded to the nearest thousand.

General exchange rates					
EUR per		<u>2024/25</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2023/24</u>
		<u>Year-end exchange rate</u>		<u>Annual average exchange rate</u>	
US dollar	USD	1.08	1.08	1.07	1.08
Thai baht	THB	36.71	39.41	37.25	38.25
Yen	YEN	161.6	163.45	163.50	157.74

1.4 Consolidation methods

Business combinations are accounted for using the purchase method (revaluation method) if the Group has obtained control. The acquisition costs of the investments are compared with the revalued equity of the respective individual company at the time of acquisition, which is derived from the measurement of the assets and liabilities at fair value. All hidden reserves and hidden liabilities of the acquired company are disclosed as part of the revaluation. Any positive difference resulting from capital consolidation is capitalised as goodwill and tested for impairment at least once a year. In accordance with IFRS 3, any negative difference resulting from capital consolidation is immediately recognised in profit or loss after re-examination.

The transaction costs of an equity transaction are recognised as a deduction from equity to the extent that they are additional costs directly attributable to the equity transaction that would otherwise have been avoided. The costs of a discontinued equity transaction are recognised as an expense.

All intra-group transactions, balances and unrealised gains from transactions within the Group are eliminated unless they are of minor significance. Unrealised losses from transactions within the Group are eliminated unless these losses can no longer be covered. The effects of income tax are taken into account in the consolidation process and deferred taxes are deducted.

1.5 Use of judgement and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The following sections list the areas with significant identified judgements, assumptions and estimation uncertainties, as well as the explanatory notes.

A. Discretionary decisions

- Low-value leases (13.2)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that could give rise to a significant risk that a material adjustment to the carrying amounts of assets and liabilities will be required within the financial year ending 31 March 2026 is provided for the following items:

- Subsequent measurement of property, plant and equipment and intangible assets (10, 11)
- Measurement of financial instruments (28)
- Measurement of provisions for warranties and contingent losses (24)
- Measurement of long-term personnel provisions (23)
- Measurement of leases (13)
- Goodwill (12)
- Investment properties (14)

Fair value measurements

A number of the Group's accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities.

Fair value is the price at which an asset would be sold or a liability transferred on the measurement date in an orderly transaction in the principal market or, if none exists, in the most advantageous market to which the Group has access at that time. The fair value of a liability reflects the risk of default.

Management conducts regular checks to determine fair values. This includes monitoring all significant fair value measurements, including fair values of Level 3. Significant unobservable input factors and valuation adjustments are reviewed regularly.

Where available, the Group determines the fair value of an asset or liability based on quoted prices in an active market. A market is considered active if transactions for the respective asset or liability take place with sufficient frequency and volume so that price information is continuously available.

If there are no quoted prices on an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique used incorporates all factors that market participants would consider when pricing such a transaction.

Based on the input factors used in the valuation techniques, fair values are classified into different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Valuation parameters that are not quoted prices included in Level 1, but that can be observed either directly (i.e. as a price) or indirectly (i.e. as a derivative of prices) for the asset or liability
- Level 3: valuation parameters for assets or liabilities that are not based on observable market data.

Information on the assumptions used in determining fair values is provided in notes 14 and 28.

2. Accounting and valuation methods

2.1 Revenue and other operating income

Sale of goods and provision of services in the ordinary course of business

Revenue is recognised in accordance with the five-step model (IFRS 15). Prerequisites include identifiable customer contracts and a determinable amount of consideration. The timing of recognition is linked to the fulfilment of the performance obligation, i.e. the transfer of an asset or the provision of a service. An asset is transferred as soon as the customer obtains control of the asset. Revenue is recognised net of returns, discounts and volume rebates. The delivery agreements concluded with customers vary depending on the region and industry. Consignment warehouse agreements have been concluded with some larger customers.

The companies provide services in the form of contract manufacturing for customers, among other things. Revenue from services is recognised in proportion to the stage of completion at the reporting date (period-related). The stage of completion is determined by assessing the work performed.

Rental income

Rental income from investment property is recognised as other income on a straight-line basis over the term of the lease. As these are leases in which the Electrovac Group acts as the lessor, they are recognised in accordance with IFRS 15.5a under IFRS 16 Leases.

Sample deliveries

The Electrovac Group regularly receives enquiries for new projects from existing and new customers. Feasibility plans are then drawn up in collaboration with the customer during the development phase and, once the order has been placed, sample parts are manufactured, which are subsequently invoiced to the customer as product sales. Any agreed development costs are also invoiced together with the sample parts. Once approved by the customer, the parts go into series production.

These cases also involve goods that can be defined separately. Upon delivery of the goods/samples to the customer, the amount becomes due immediately and is paid by the customer upon maturity. No significant financing components are included. The period between performance of the service and payment by the customer is a maximum of 90 days. Such business transactions are therefore recognised as receivables and not as active contract items.

2.2 Employee benefits

Short-term benefits

Obligations arising from short-term employee benefits are recognised as expenses as soon as the associated work is performed. A liability is recognised for the amount expected to be paid if, at the balance sheet date, the Group has a legal or constructive obligation to pay the amount based on work performed by the employee and the obligation can be reliably determined.

Other long-term employee benefits

The Group's net obligation with regard to long-term employee benefits is the future benefits that employees have earned in exchange for work performed in the current period and in previous periods. These benefits are discounted to determine their present value. Revaluations are recognised in profit or loss in the period in which they arise.

Post-employment benefits – defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense as soon as the related service is rendered. Prepaid contributions are recognised as an asset to the extent that there is a right to a refund or reduction in future payments.

Post-employment benefits – defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned in the current period and in previous periods. This amount is discounted.

The calculation of defined benefit obligations is performed annually by a recognised actuary using the projected unit credit method. For each obligation, the present value of the entitlements acquired up to the calculation date is determined in accordance with generally accepted actuarial principles, taking into account future increases in benefits (defined benefit obligations) as well as current service cost and interest cost. This takes into account retirement due to reaching retirement age, occupational disability or death, as well as any survivor's benefits.

Revaluations of net debt from defined benefit plans are recognised directly in other comprehensive income. The revaluation comprises actuarial gains and losses. The Group determines the net interest expense (income) on the net liability (asset) from defined benefit plans for the reporting period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period. This discount rate is applied to the net liability (asset) from defined benefit plans at that date. Any changes in the net liability (asset) from defined benefit plans resulting from contribution and benefit payments during the reporting period are taken into account. Net interest expense and other expenses for defined benefit plans are recognised in profit or loss.

If the benefits of a plan are changed, the resulting change in the benefit relating to the past service period is recognised in profit or loss. The Group recognises gains and losses arising from the settlement of a defined benefit plan at the time of settlement.

2.3 Financial income and financing expenses

The Group's financial income and financing expenses comprise interest expenses from bank and lease liabilities, factoring, interest portions from long-term personnel provisions, unused supplier discounts and interest income from loans granted.

Interest income and interest expenses are recognised in profit or loss using the effective interest method.

2.4 Income taxes

Tax expense generally comprises current and deferred taxes. Current taxes and deferred taxes are recognised in profit or loss, except to the extent that they relate to a business combination or an item recognised directly in equity or other comprehensive income.

Actual taxes are the expected tax liability or tax asset on the taxable income or tax loss for the financial year, based on tax rates that are currently in force or will shortly come into force at the balance sheet date, as well as any adjustments to the tax liability for previous years. The amount of the expected tax liability or tax asset reflects the amount that represents the best estimate, taking into account tax uncertainties, if any. Actual tax liabilities also include all tax liabilities arising as a result of the declaration of dividends.

For an explanation of deferred taxes, please refer to 2.13 Deferred taxes.

2.5 Goodwill

Goodwill arises in business combinations and represents the excess of the consideration transferred for the business contribution over the fair value of the Group's share of the identifiable assets contributed, the liabilities assumed, the contingent liabilities and all non-controlling interests in the contributed business at the date of contribution. With a few exceptions (e.g. tax liabilities, pension obligations, share-based payments), assets, liabilities and contingent liabilities are measured at fair value.

Goodwill has an indefinite useful life and is therefore not amortised. At least once a year, an assessment is made to determine whether there are any indications of impairment. The carrying amount of goodwill is compared with the recoverable amount, i.e. the higher of the fair value less costs to sell and value in use. Any impairment loss is recognised immediately in profit or loss and is not reversed in subsequent periods.

The Group determines the goodwill attributable to the contributed companies using valuation methods based on discounted cash flows. These discounted cash flows are calculated for a three-year period. The cash flows derived from planning are used as a basis for the immediate future. Cash flows are planned on the basis of forecasts of sales, income and expenses based on planned profit and loss accounts for each year of the period under review.

For the three-year period, the Electrovac Hacht und Huber GmbH, Salzweg subgroup, to which a recognised goodwill is allocated, is expected to achieve average annual revenue growth of 2.8%. For the following two years and for the terminal value, an EBIT or cash flow growth rate of 2.0% p.a. is assumed. The discounted cash flows are calculated using a risk-adjusted interest rate of 6.4%. These assumptions and the underlying methodology can have a significant impact on the respective values and ultimately on the amount of any impairment of goodwill.

For the three-year period, Beutlhauser GmbH & Co. KG, Salzweg, which has recognised goodwill, is expected to achieve average annual revenue growth of 9.4%. For the following two years and for the terminal value, an EBIT or cash flow growth rate of 2.0% p.a. is assumed. The discounted cash flows are discounted using a risk-adjusted interest rate of 5.3%. These assumptions and the underlying methodology can have a significant impact on the respective values and ultimately on the amount of any impairment of goodwill.

More detailed information on goodwill and impairment tests can be found in the notes under item 12.

2.6 Intangible assets

Acquired patents, trademark rights and software are recognised at their historical acquisition cost. Patents and trademark rights acquired as part of a business combination are measured at fair value on the acquisition date. They have specific useful lives and are measured at their acquisition cost, less accumulated amortisation and impairment losses.

Amortisation is calculated on a straight-line basis over a normal useful life of 10 to 15 years for patents and trademark rights and 3 to 5 years for software. In accordance with IAS 36, intangible assets for which there are indications of impairment and whose present values of future cash inflows are below their carrying amounts are written down to their value in use or fair value less costs to sell. Production units are generally considered to be cash-generating units. If the reasons for such an impairment no longer apply, corresponding write-ups are made up to the amortised cost.

Internally generated intangible assets were not capitalised as the criteria set out in IAS 38 were not met.

2.7 Property, plant and equipment

Property, plant and equipment are valued at acquisition or production cost, less straight-line depreciation and impairment losses. Acquisition costs include the purchase price of the asset, incidental acquisition costs and subsequent acquisition costs. Government grants are recognised using the net method and amortised over the useful life of the asset. The production costs include direct costs as well as an appropriate portion of material and manufacturing overheads. General administrative and selling expenses are not capitalised, nor are borrowing costs that cannot be directly attributed to a qualifying asset. Subsequent acquisition or production costs are only recognised as part of the acquisition or production costs of an asset or as a separate asset if it is probable that the Group will derive future economic benefits from them and the costs of the asset can be reliably determined. Expenses for repairs and maintenance that do not constitute significant replacement investments are recognised as expenses in the consolidated statement of comprehensive income in the financial year in which they are incurred. Impairment issues are handled in accordance with IAS 36 (see also 2.6).

Scheduled depreciation is calculated on a straight-line basis using the following useful lives:

Fixed assets Useful lives	Years
Plant and machinery	2 to 15
Operating and office equipment	1 to 25
Motor vehicles	10
Buildings	2 to 54

Land is not depreciated according to plan.

The useful lives are determined based on the intended use, physical wear and tear, and past experience.

The residual carrying amount and economic useful lives are reviewed at each balance sheet date and adjusted if necessary. Gains and losses from disposals of property, plant and equipment are determined as the difference between the proceeds from disposal and the carrying amounts of the property, plant and equipment and are recognised under "Other income or expenses" in the statement of comprehensive income.

Land and buildings mainly comprise production, storage and office space. The majority of these are subject to lease agreements. Only Electrovac Metall - Glaseinschmelzungs GmbH, Klosterneuburg, owns real estate for its own use. The valuation is carried out in accordance with IAS 16 using the acquisition cost model.

2.8 Leasing

The accounting treatment of leases (IFRS 16) differs for lessees and lessors. While a risk and rewards approach is envisaged for the lessor, the lessee accounts for the lease using the right-of-use approach. This means that, with a few exceptions, the lessee always capitalises the right-of-use asset and recognises a corresponding lease liability.

Leaseholder regulations are particularly important for the Group. The Group has leased buildings, land, gas equipment and motor vehicles. In accordance with IFRS 16, the exemptions for short-term leases and low-value leased assets are applied. In these cases, there is no direct recognition in the balance sheet; instead, the lease payments are recognised as operating expenses over the term of the lease. The low value of a leased asset is determined by a reference value of EUR 8,000. The application of a possible portfolio approach is currently not being used.

For leases that are not short-term or low-value, the lease liability is first determined. In the course of this, an assessment is made, depending on the class of asset, as to whether non-lease components are included in the remuneration or not. The lease liability is determined using a present value calculation, taking into account a discount rate that represents the incremental cost of debt. The initial measurement of the corresponding right-of-use asset is based on the previously determined lease liability.

The subsequent measurement of lease liabilities is generally based on the effective interest method. This method allows the lease payment to be divided into an interest and a repayment component, taking into account time effects. The subsequent measurement of the right-of-use assets is carried out in accordance with the cost model, i.e. straight-line amortisation is applied over the term of the contract.

The term of the individual leases is determined by the contractually non-cancellable period and any extension and termination options. With regard to the exercise of options, a primarily qualitative assessment is required in each case.

Some of the Group's leases involve variable payments linked to an index. In these cases, the respective lease liability and, subsequently, the right of use are revalued annually. However, the right of use is only adjusted by the difference resulting from the revaluation of the liability.

Lease liabilities and rights of use are presented separately from other assets or liabilities in the consolidated balance sheet. However, this does not apply to investment property within the meaning of IAS 40. Leased assets of this type are also reported as such in the consolidated financial statements.

The Group acts as a lessor to a limited extent in connection with sublease agreements for properties. Based on an assessment of indicators, such subleases are classified as operating leases and lease payments are recognised as operating income in the income statement.

2.9 Borrowing costs

In accordance with the provisions of IAS 23, borrowing costs for the acquisition or production of a qualifying asset must be capitalised. This is also referred to as targeted borrowing.

A qualifying asset is characterised by the fact that a considerable period of time is required to bring it to its intended usable or saleable condition. A qualifying asset is usually recognised for periods of more than 12 months.

The Electrovac Group borrowed funds for this purpose, but no significant period of time was required to bring the asset to a usable or saleable condition. The assets were already in a usable condition at the time of acquisition.

No borrowing costs were capitalised.

2.10 Financial assets

Financial assets, which include loans granted (see IFRS 9) and the investment in the non-consolidated subsidiary (see IAS 27), are measured at amortised cost. An assessment is made at each balance sheet date to determine whether there is any objective evidence of impairment. Impairment losses are recognised in accordance with IAS 36.

2.11 Investment properties

The properties held as investment properties are buildings and land in the municipality of Klosterneuburg, Austria, which are leased to third parties and not used for operational purposes. The buildings not used for operational purposes are measured at their amortised cost (cost model) in accordance with IAS 40.

2.12 Financial instruments

Financial instruments consist of financial assets (receivables, other assets, loans granted and cash and cash equivalents) and financial liabilities (financial liabilities, trade payables and other liabilities). They are measured in accordance with the provisions of

IFRS 9 and its categories. IFRS 9 contains three basic categories for classifying financial assets: measured at amortised cost (AC), measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL). Financial assets are classified in accordance with IFRS 9 on the basis of the company's business model for managing financial assets and the nature of the contractual cash flows. Derivatives are measured at fair value through profit or loss unless they are designated as hedging instruments in hedge accounting.

The Group currently hedges proportionate interest rate risks using a swap. A hedge relationship has been designated (cash flow hedge). The fair value of the derivative is therefore recognised in equity without affecting profit or loss.

Detailed information on the accounting treatment of financial instruments can be found in note 28 of the explanatory notes.

Financial assets

Other financial receivables and loans are generally measured at amortised cost (AC). Trade receivables are measured at fair value through other comprehensive income (FVOCI) because they are allocated to the hold and sell business model due to forfeiting and factoring agreements. Receivables from derivative financial instruments are accounted for in accordance with cash flow hedge regulations (FVOCI).

Since the introduction of IFRS 9, an impairment loss must already be recognised for expected credit losses (ECL). Expected credit losses (ECL) are determined using a risk provision matrix. Credit losses are then recognised as risk provision expenses in profit or loss. Value adjustment ratios are based on past experience and forward-looking estimates. Cash and cash equivalents are recognised at cost.

The Group derecognises a financial asset when the contractual rights to the cash flows from an asset expire or when it transfers the rights to receive the cash flows in a transaction that also transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities

Financial liabilities are measured at amortised cost in the Group. These include, in particular, trade payables, liabilities to banks and other financial liabilities.

Financial liabilities are derecognised when the contractual obligations have been fulfilled, cancelled or have expired.

Financial assets and liabilities are offset and reported as a net amount in the balance sheet if the Group has a present, enforceable legal right to offset the recognised amounts and intends either to either settle on a net basis or settle the related liability at the same time as realising the related asset.

Recognition date

The Group recognises loans and receivables and debt securities issued from the date on which they arise. All other financial assets and liabilities are recognised for the first time on the trade date when the company becomes a party to the contractual provisions of the instrument.

Cash is recognised at nominal value. For the translation of foreign currencies, see 1.4.

2.13 Deferred taxes

Deferred taxes are calculated in full using the balance sheet liability method for temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS consolidated balance sheet in accordance with IAS 12.

Furthermore, the probable realisable tax benefit from existing unused tax loss carryforwards is included in the calculation if taxable profits will be available in the future and these can be utilised. Deferred tax assets, on the other hand, are not recognised if it is not probable that the tax benefit contained therein can be realised. Future taxable profits are determined with the help of temporary differences, which give rise to taxable amounts against which the unused tax losses can also be used.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the associated tax benefit will be realised; write-ups are made if the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it is probable that future taxable income will enable their realisation.

The tax rates that are valid or bindingly announced on the balance sheet date are used to determine deferred taxes.

	2024/25	2023/24
electrovac AG	28%	27%
Electrovac Hacht und Huber GmbH	28%	27%
Electrovac (Thailand) Co., Ltd.	20%	20%
Electrovac USA Inc.	21%	21%
Beuthhauser GmbH & Co. KG	12%	11%
Electrovac Metall-Glaseinschmelzungs GmbH	23%	23%
Electrovac France SAS	33%	33%
Electrovac Japan K.K.	24%	24%

The measurement of deferred taxes reflects the tax consequences that the Group expects to result from the manner in which it expects to recover the carrying amounts of its assets or settle its liabilities at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if the conditions for doing so are met.

Deferred taxes are not recognised for:

- temporary differences resulting from the initial recognition of goodwill
- temporary differences arising from the initial recognition of an asset or liability that does not arise from a business combination and that affects neither the commercial nor the tax result at the time of the transaction
- temporary differences relating to shares in subsidiaries, provided that the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future

2.14 Inventories

Inventories are measured at the lower of cost and net realisable value. In the case of manufactured products, the cost of production includes an appropriate proportion of production overheads based on normal operating capacity. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated necessary selling expenses.

Raw materials and merchandise are valued at moving average prices. The production costs of unfinished and finished products include

all directly attributable costs and proportionate overheads, including depreciation based on normal capacity. Borrowing costs that cannot be allocated to a qualifying asset, as well as administrative and distribution costs, are not included in the cost of production. Storage and procurement costs are also included in the cost of production. Appropriate discounts are taken into account for inventory risks arising from storage duration or limited usability.

Inventories are written down by applying range discounts for materials whose turnover period (average consumption/average inventory) exceeds 12 months. The discounts amount to 75%; for a turnover period exceeding 24 months, they amount to 100%.

2.15 Trade receivables

Trade receivables are amounts due from goods sold or services rendered in the ordinary course of business. Trade receivables are classified as current if they are expected to be collected within one year. Otherwise, they are recognised as non-current receivables.

Trade receivables are initially recognised at fair value plus transaction costs and subsequently measured at fair value through profit or loss. Impairments are recognised in profit or loss. An allowance is made for expected credit losses (ECL) using the simplified approach in accordance with IFRS 9.

Receivables that are between 1 and 90 days past due (stage 2) are impaired using a combination of historical default rates and an adjustment for current and future expected developments in accordance with the following table.

Overdue in days	Historical default rate	Current and future expectations
None	0%	0.1%
1 to 29	0%	0.1%
30 to 59	0%	0.3%
60 to 90	0%	0.6%

The calculation of the value adjustment for overdue amounts > 90 days (level 3) is based on the following table.

Overdue in months	Value adjustment
> 3 months	20%
> 6 months	30%
> 12 months	50%

2.16 Acquisition of subsidiaries

Contributed subsidiaries are accounted for using the revaluation method. The acquisition costs correspond to the fair values of the assets transferred, the equity instruments issued and the liabilities incurred or assumed at the transaction date. Acquisition-related costs are recognised as expenses when incurred.

2.17 Financial liabilities

Financial liabilities are initially recognised in the balance sheet at fair value plus transaction costs. Subsequent measurement is at amortised cost. Any premium, discount or other amount between the disbursement and repayment amounts is distributed over the term using the effective interest method and recognised in the financial result.

2.18 Trade payables

Trade payables are recognised at fair value plus transaction costs and are due within one year. These liabilities are measured at amortised cost on subsequent measurement.

2.19 Provisions

A provision must be recognised if the Group has a legal or constructive obligation to third parties that arose in the past, is likely to be required to make a payment in the future, and the amount of this payment can be reliably estimated. Current provisions consist mainly of provisions for warranties and for anticipated losses from pending transactions.

Provisions for warranties are recognised in the balance sheet at the amount required to cover the cost of repairing or replacing products already sold whose warranty period has not yet expired. The calculation of provisions is based on past experience with regard to the probability and amount of future warranty claims. The long-term portion of a warranty provision is formed for a claim period of more than one year.

Provisions for imminent losses from pending transactions due to onerous contracts are formed for those cases in which the expected income from an already concluded contract is lower than the costs that are necessary in any case to fulfil the obligations under the contract. Before a provision is recognised, the Group recognises any impairment loss

for the assets associated with the contract. The valuation is carried out on a full cost basis.

Non-current personnel provisions consist mainly of provisions for severance payments, anniversary bonuses and partial retirement. As the time and interest effect is not insignificant for non-current provisions, the carrying amounts are recognised at their respective present values. Actuarial gains or losses resulting from the revaluation of defined benefit plans are recognised in other comprehensive income and accumulated in equity under other reserves.

2.20 Government grants

Government grants are only recognised if the Group will meet the associated conditions and the grants are actually awarded.

Grants that do not relate to assets (income-related) are recognised in the consolidated statement of comprehensive income in the period in which they arise, either separately or deducted from the corresponding expenses.

Grants for assets are deducted from the carrying amount of the corresponding asset.

3 Reporting in accordance with International Financial Reporting Standards (IFRS)

3.1 New standards and interpretations applied in the current financial year

The following changes will be made in the 2024/2025 financial year:

Standards / Interpretations	Content changes
Amendments to IAS 1	Classification of liabilities as current or long-term
Amendments to IAS 1	Non-current liabilities with covenants
Amendments to IFRS 16	Lease liabilities in sale and leaseback transactions
Amendments to IAS 7 and IFRS 7	Supplier financing agreements

The new changes in accounting are taken into account, but have only an insignificant impact on the consolidated financial statements.

3.2 New standards and interpretations not applied in the current financial year

The following new or amended standards have already been published by the IASB but have not yet become mandatory or been adopted into European law.

Standards / Interpretations / Amendments	Date of publication	Date of adoption into EU law	Effective date (EU)
Amendments to IAS 21: Lack of exchangeability a currency	15 Aug 23	12 Nov 24	1 Jan 25
Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments	30 May 24	27 May 25	1 January 26
Amendments to IFRS 9 and IFRS 7: Contracts relating to nature-dependent electricity	18 Dec 24	30 June 25	1 January 26
Collective amendment standard – Version 11	18 July 24	9 July 25	1 Jan 26
IFRS 18: New standard for the presentation and disclosure of financial statements (replaces IAS 1)	9 April 24	-	1 January 27
IFRS 19: New standard for subsidiaries without public accountability	9 May 24	-	1 January 27

Various amendments to existing standards are to be applied for financial years beginning after 1 January 2025. However, the Group expects that, with the exception of IFRS 18, none of the new standards will have a material impact on the net assets, financial position and results of operations in future consolidated financial statements. The impact of IFRS 18 on the Group's financial statements is currently being evaluated.

The Group is not exercising the option for early adoption of the amendments. Adjustments will be reflected in the consolidated financial statements in which mandatory application takes effect for the first time.

F Notes to the consolidated financial statements

1. Sales

The sales revenues reported in the consolidated statement of comprehensive income include all revenues resulting from the Electrovac Group's typical business activities. Sales are reported excluding VAT and any other taxes and duties.

Breakdown of sales by gross/net (in kEUR)

	Financial years	
	2024/2025	2023/2024
Gross sales	98,227	87,660
Reductions in sales	-64	-45
Net sales	98,163	87,616

Compared to the previous year, gross revenue rose by 12.1%. Revenue reductions consist of cash discounts granted to customers and expenses for warranty provisions. They amount to approximately 0.1% of gross revenue. The Group generates revenue from contracts with customers from products that are essentially transferred at a specific point in time. Period-related services are only provided to a very limited extent.

Breakdown by organisation (in kEUR)

	Financial years	
	2024/2025	2023/2024
Electrovac H & H	59,289	52,907
Electrovac EMG	19,644	17,314
Electrovac TH	9,889	8,314
Electrovac JP	2,526	3,041
Beutlhauser KG	6,878	6,085
Total	98,227	87,660

The Group's production units (Electrovac H&H, Electrovac EMG, Beutlhauser KG and Electrovac TH) significantly increased their sales compared to the previous year. This increase is attributable to higher order volumes and special price effects in both the automotive and special applications sectors.

With the exception of Electrovac JP, products manufactured at the respective production sites are also invoiced to our customers from there. Electrovac JP acts as an intermediary between customers in Japan and Thailand and the largest site, Electrovac H&H.

Breakdown by economic area (in kEUR)

	Financial years	
	2024/2025	2023/2024
Europe	58,723	55,733
United States	14,457	10,726
Asia / Far East	23,852	19,513
Other	1,195	1,689
Total	98,227	87,660

The Electrovac Group is primarily active in the export business and generates a large proportion of its sales in Europe and Asia/Far East (84.1%). The increase in the USA reflects the expansion of business in the area of special applications.

2. Cost of Sales

in kEUR	Financial years	
	2024/2025	2023/2024
Changes in inventories	2,188	-335
Capitalised own work	298	642
Material costs	-40,793	-35,377
Personnel costs for production	-24,418	-23,527
Other direct costs	-5,706	-5,229
Depreciation of production facilities	-3,331	-3,007
Overhead costs	-8,539	-8,654
Total cost of sales	-80,301	-75,488

Changes in inventories reflect changes in the inventories of work in progress and finished goods. Positive values indicate an increase in inventory, while negative values indicate a decrease in inventory.

Capitalised own work is recognised in the course of capitalising self-manufactured machinery (at Electrovac H&H and Beuthauser KG) and tools (at Electrovac EMG).

Material costs in FY 2024/2025 amount to 41.6% of sales (previous year: 40.4%). Changes in the material cost ratio are mainly due to fluctuating procurement prices for industrial metals (e.g. nickel, cobalt) and precious metals (e.g. palladium).

Personnel costs are primarily driven by the number of employees and temporary workers. The number of employees plus temporary workers (FTE) in the production areas of the individual Group companies is as follows:

Average per financial year	Financial years	
	2024/2025	2023/2024
Electrovac H&H	201	213
Electrovac EMG	118	117
Electrovac TH	34	31
Beuthhauser KG	68	62
Total number of production employees	421	423

In addition, collective agreements influence the level of personnel costs. In the 2024/2025 financial year, Electrovac H&H saw a wage increase of 3.3%, while Electrovac EMG saw an increase of 6.8%. In addition, remuneration at Beuthhauser KG and in Thailand was structurally adjusted.

Other direct manufacturing costs include expenses for manufacturing aids (e.g. oils, tools, chemicals), repairs, energy and other equipment, etc.

Proportionate overheads include costs for production support functions such as quality assurance, process engineering, production management, etc., as well as costs for the use of infrastructure (buildings, heating, waste disposal, etc.).

3. Selling expenses

in kEUR	Financial years	
	2024/2025	2023/2024
Sales personnel expenses	-1,961	-1,842
Freight & commissions	-662	-618
Other costs	-1,200	-1,118
Total selling expenses	-3,824	-3,578

The Electrovac Group maintains its own sales departments at its locations in Germany, Austria, France, Japan and the USA. In addition, there are contracts with industrial and commercial agencies.

The increase in costs compared to the previous year is mainly due to higher personnel costs and increased trade fair and transport costs compared to the previous year.

Other costs include expenses for travel, company cars, advertising, marketing, trade fairs, product liability insurance, etc.

4. Administrative expenses

in kEUR	Financial years	
	2024/2025	2023/2024
Personnel costs Administration	-2,271	-1,908
Other costs	-2,142	-2,060
Total administrative costs	-4,413	-3,968

Other costs include expenses for travel, company cars, fees, membership fees, consulting, annual audit, various insurance policies, bank charges, general administration, etc.

5. Research and development expenses

in kEUR	Financial years	
	2024/2025	2023/2024
Personnel costs development	-1,025	-866
Other direct costs	-158	-167
Total research and development costs	-1,183	-1,033

We maintain our own development departments at the Electrovac H&H and Electrovac EMG sites, whose main task is to develop customer enquiries to series production readiness.

Other costs include expenses for travel, patents, test materials, technical consulting, etc.

6. Employee benefits

Total personnel expenses and benefits to our own employees are broken down as follows:

in kEUR	Financial years	
	2024/2025	2023/2024
Wages and salaries	-26,247	-25,663
Social security contributions	-5,624	-5,392
Defined contribution pension plans	-162	-157
Expenses for defined benefit plans and other long-term benefits	-248	-5
Other voluntary social benefits	-199	-243
Total employee benefits	-32,480	-31,460
Expenses for temporary workers	-769	-741
Total personnel expenses	-33,249	-32,201

The number of employees and the annual wage increase described in point 2 are key factors influencing the amount of personnel expenses.

The number of all employees, including temporary workers, is as follows:

Full-time equivalents including temporary staff Average per financial year	Financial years	
	2024/2025	2023/2024
Electrovac H&H	256	268
Electrovac EMG	143	142
Electrovac TH	45	42
Beuthhauser KG	83	80
Electrovac JP	2	2
Electrovac FR	2	2
Electrovac USA	1	1
Total number of employees	531	536

The higher personnel costs compared to the previous year are due to the structural adjustments in personnel costs mentioned in point 2.

7. Other operating expenses/income

Other expenses and income are broken down into the following items.

in kEUR	Financial years	
	2024/2025	2023/2024
Rental income	410	446
Income from reversal of RST/WB	97	139
Income from claims	81	5
Income from asset disposals	19	22
Income from exchange rate differences	277	136
Other income	654	491
Expenses from exchange rate differences	-336	-357
Impairment expense	-482	0
Other expenses	-55	-18
Other expenses/income	666	864

Rental income comes from leased premises in Electrovac EMG's investment properties.

In the 2024/2025 financial year, subsidies were recognised in other income. Energy subsidies amounted to kEUR 49 (previous year: kEUR 124) and research grants amounted to kEUR 105 (previous year: kEUR 130). At the plant in Thailand, recycling recoveries amounting to kEUR 200 (previous year: kEUR 93) were recognised in other income.

As of 31 March 2025, production facilities for one production line (cash-generating unit) were subjected to an impairment test in accordance with IAS 36 and subsequently written down separately by kEUR 482. This was due to a predicted decline in sales on the market and a correction to the useful life of the product manufactured on this line. The recoverable amount was determined by the value in use. A weighted average cost of capital before tax of 7.96% was used for discounting. Free cash flow before tax is based on customer expectations.

The balance of exchange rate differences amounted to kEUR -59 in the previous year and kEUR -222 in the 2024/2025 financial year. Consolidation effects from the consolidation of expenses and income as well as the consolidation of liabilities are shown in the exchange rate differences.

8. Financial result

Financial income results from interest income on credit balances in bank accounts and loans granted.

Financing expenses are broken down as follows:

in kEUR	Financial year	
	2024/2025	2023/2024
Interest expense for loans	-1,011	-1,052
Interest expense for provisions	-83	-78
Interest expense for leasing	-530	-533
Interest expense for factoring	-264	-231
Unused supplier discounts	-80	-93
Total financing expenses	-1,969	-1,986

Interest expenses for provisions relate to non-current provisions (see also note 23). Interest expenses from reverse factoring agreements are shown under interest expenses for loans.

Discounts granted by suppliers but not utilised are not reported under material expenses, but under financing expenses.

9. Income taxes / deferred taxes

Income taxes are allocated to the individual companies according to their annual results as follows:

in kEUR	Financial years	
	2024/2025	2023/2024
electrovac AG	-148	-116
Electrovac H&H	-1,351	7
Electrovac EMG	-425	-299
Beutlhauser KG	-106	-71
Electrovac TH	0	0
Electrovac JP	0	-4
Electrovac FR	-4	0
Electrovac USA	-1	0
Total	-2,035	-483

The expense or income from the change in deferred taxes is distributed among the individual companies as follows:

in kEUR	Financial years	
	2024/2025	2023/2024
electrovac AG	-2	22
Electrovac H&H	118	-159
Electrovac EMG	2	-10
Beuthhauser KG	-10	15
Electrovac TH	-109	120
Consolidation	4	-36
Total	3	-48

Deferred taxes arise primarily from different valuation approaches for fixed assets and from the capitalisation of rental and leasing transactions. The data shown in the table reflects the effects on earnings of deferred taxes resulting from changes from one financial year to the next. The figures reported in the consolidation section are derived from the effects on earnings of the elimination of intercompany profits in inventories and the consolidation of liabilities.

The allocation of deferred taxes to individual balance sheet items shows the following development from the 2023/24 financial year to the 2024/25 financial year:

2024/2025 in kEUR	Net balance as at 1 April 2024	Recognised in profit or loss	FX effect	Recognise d in other comprehe nsive income	Net balance as at 31 March 2025	Deferred tax assets	Deferred tax liabilities
Non-current personnel provisions	184	-6	0	8	186	186	
Rights of use	-1,942	67	1		-1,874		-1,874
Lease liability	2,666	-54	-1		2,611	2,611	
Property, plant and equipment / Investment properties	-1,542	89	5		-1,448		-1,448
Inventories	3	47	0		50	50	
Long-term financial assets	-2	0	0	2	0		
Long-term financial liabilities	0	0	0	6	6	6	
Trade receivables	-6	1	0		-6		-6
Trade payables	0	-4	0		-4		-4
Provisions / accrued liabilities	149	-42	0		107	107	
Adjustment to other reserves	0	0	0		0		
Tax loss carryforward	118	-108	0		10	10	
Means of payment	0	-2	0		-2		-2
Balancing						-2,883	2,883
Tax receivables/payables	-374	-11	5	16	-364	86	-451

No deferred tax liabilities were recognised for temporary differences relating to shares in subsidiaries amounting to kEUR 1,485 (outside base differences).

Deferred taxes were recognised to a small extent for the tax loss carryforwards totalling kEUR 2,888 incurred by Electrovac TH from 2015/2016 to 2024/2025. A history of losses indicates that future tax profits cannot be assumed with certainty. The loss carryforwards expire five years after the end of a government subsidy programme for direct investments in Thailand. The intention is to take advantage of the subsidy programme until at least the end of 2027.

The tax reconciliation is presented below. The actual and deferred tax expense is reconciled based on the product of the balance sheet profit before tax and the applicable tax rate:

Values in kEUR	Financial years			
	2024/2025		2023/2024	
Profit before taxes		7,215		2,455
Taxes based on the company's domestic tax rate	28.10%	2,027	27.00%	663
Tax rate effects of foreign tax jurisdictions	-1.42%	-102	-2.46%	-60
Tax rate reduction	-0.32%	-23	-0.54%	-13
Non-deductible expenses	0.94%	68	2.31%	57
Tax-exempt income	-0.59%	-42	-1.47%	-36
Recognition of tax effects of previously unrecognised tax loss carryforwards	1.49%	108	-4.96%	-122
Other differences	-0.20%	-14	2.67%	66
Changes in estimates from previous years	0.14%	10	-0.92%	-23
Actual and deferred tax expense	28.16%	2,032	21.63%	531

10. Property, plant and equipment

Property, plant and equipment comprise the following:

in kEUR	Financial years	
	2024/2025	2023/2024
Land and buildings	936	855
Technical equipment and machinery	15,647	16,772
Operating and office equipment	2,043	2,100
Assets under construction	4,425	2,853
Advance payments made on fixed assets	778	912
Total property, plant and equipment	23,829	23,492

The item "Land and buildings" includes fixtures and infrastructure belonging to Electrovac H&H, Beuthhauser KG and buildings belonging to Electrovac EMG, as well as improvements to the leased production hall belonging to Electrovac TH.

Technical equipment and machinery refers to manufacturing and production machinery. The range of manufacturing equipment includes electric continuous furnaces, electroplating equipment, various special machines for mechanical processes and optical testing processes, machines for the non-cutting and cutting production of metal parts, tools for stamped parts and various toolmaking machines.

The equipment under construction consists of production equipment and punching tools manufactured in-house. In addition to direct costs, the manufacturing costs also include appropriate portions of material and manufacturing overheads. General administrative and sales expenses are not capitalised.

The increase in the value of assets under construction compared to the previous year is due to investments made in machinery for the plant in Thailand (kEUR 4,154).

The item "Operating and office equipment" comprises small and measuring devices for production, office, warehouse and production equipment, IT systems, etc.

Depreciation of assets is generally recognised in production costs or, if they are used in research and development or sales, in research and development expenses or sales expenses. Depreciation for the financial years can be found in the statement of changes in fixed assets.

The property, plant and equipment pledged as collateral as at 31 March 2025 were:

- Production machinery of Beutlhauser KG in the course of hire purchase loans at a nominal value of kEUR 4,485 (previous year: kEUR 3,576).
- Production machinery of Electrovac H&H in the course of hire purchase loans at a nominal value of kEUR 750 (previous year: kEUR 325).
- Various production facilities of Electrovac H&H to secure an overdraft facility and KfW and investment loans at a nominal value of kEUR 2,675 (previous year: kEUR 2,675).
- Electrovac EMG production machinery for an investment loan and ERP loan with a nominal value of kEUR 1,398 (previous year: kEUR 1,398).

In the 2022/2023 financial year, Electrovac H&H was granted an investment subsidy (kEUR 285) for three production machines, which was offset against the acquisition costs in accordance with IAS 20. As at 31 March 2025, Electrovac H&H had a carrying amount of investment subsidies of kEUR 395 (previous year: kEUR 435), which reduces property, plant and equipment.

Beutlhauser KG has also received several grants for assets in accordance with IAS 20 in recent years. The grants are earmarked and were paid out to co-finance measures to rationalise the Beutlhauser KG site in Salzweg. As at 31 March 2025, the carrying amount is kEUR 29 (previous year: kEUR 39). This was recognised as a reduction in property, plant and equipment.

In addition, Electrovac EMG received investment subsidies in the past financial year, which were recognised as a reduction in property, plant and equipment. The carrying amount as of the reporting date is kEUR 36 (previous year: kEUR 39).

11. Intangible assets

The development of intangible assets is as follows:

in kEUR	Financial years	
	2024/2025	2023/2024
Intangible assets	2,766	2,890

Intangible assets comprise software licences, patents and trademark rights. Software licences are amortised over a period of between 1 and 5 years, patents over 10 years and trademark rights over 15 years. Patents were registered at electrovac AG and Electrovac H&H to protect specific manufacturing methods. Their residual carrying amount is kEUR 40 (previous year: kEUR 54). The residual carrying amount for the trademark rights held by electrovac AG is kEUR 2,291 (previous year: kEUR 2,580). The trademark rights and patents of electrovac AG are pledged (see note 22).

Internally generated intangible assets are not capitalised as the criteria set out in IAS 38 are not cumulatively met. Development costs are therefore recognised immediately as an expense in profit or loss in the year in which they are incurred.

Amortisation of intangible assets is recognised in production costs or, if these assets are used in other functional areas, under selling expenses, administrative expenses or research and development expenses. Amortisation for the financial years is shown in the statement of changes in assets.

12. Goodwill

Goodwill arises mainly from the contribution of the subsidiaries Electrovac Hacht and Huber GmbH as a subgroup with the sub-subsidiaries Electrovac Thailand Co., Ltd. and Electrovac USA Inc. and Beutlhauser GmbH & Co. KG and was calculated as follows as at 31 March 2018:

	kEUR
Acquisition costs of the business contribution	24,527
Fair value of net assets	-16,792
Goodwill	7,735

The individual presentation of goodwill was as follows:

Company	Electrovac Hacht&Huber subgroup					Total
	Electrovac H&H	Electrovac Thailand	Electrovac USA	Electrovac Japan	Beuthhauser KG	
Cash	291,812	355,580	14,720	284,937	198	947,247
Other tangible/intangible VW	26,243,773	5,817,898	0	16,996	5,431,428	37,510,095
Receivables	13,334,948	569,415	9,739	291,163	505,584	14,710,848
Debts	24,155,614	6,784,948	0	288,698	5,147,188	36,376,448
Transferred consideration	15,499,434	1,619,077	12,360	335,873	7,059,764	24,526,508
Non-controlling interests	0	0	0	0	0	0
Fair value of the already held Ant	0	0	0	0	0	0
Fair value Net assets	-15,714,919	42,055	-24,459	-304,397	-790,022	-16,791,742
	-215,485	1,661,132	-12,099			
Goodwill		1,433,548		31,476	6,269,742	7,734,766

Goodwill mainly results from the skills and professional talents of the experienced workforce, which has been with the company for many years, and the expected synergies from the integration of the companies into the Group. No deferred taxes are recognised on temporary differences in goodwill in accordance with IAS 12.15(a) in conjunction with IAS 12.21.

The impairment test as at 31 March 2025, in accordance with IAS 36.90, concludes that the recoverable amount of the individual cash-generating units (production units) exceeds their respective carrying amounts. This result is also confirmed by the additional sensitivity analysis (change in interest rate of +/-1%, change in free cash flow of +/- 20%).

This means that the goodwill of kEUR 7,735 reported as at 31 March 2024 will also be reported at the same amount as at 31 March 2025.

13. Leasing

13.1 Rights of use

The breakdown of rights of use from leases (in kEUR) is as follows:

	Land	Buildings	Technical equipment	Motor vehicles	Total
Acquisition costs					
As at 1 April 2024	3,329	6,383	2,350	411	12,474
Additions			368	113	481
Disposals				-64	-64
Revaluations	150	145	174		468
FX effect		19	3	2	24
as at 31 March 2025	3,479	6,546	2,895	462	13,382.042
Depreciation					
accumulated as at 1 April 2024	842	2,990	1,554	244	5,630
in the financial year	188	565	416	101	1,270
Revaluations					0
Disposals				-64	-64
FX effect		17	3	1	20
Net book value as at 31 March 2025	2,449	2,975	922	181	6,526
	Land	Buildings	Technical facilities	Motor vehicles	Total
Acquisition costs					
As at 1 April 2023	3,021	6,399	1,796	373	11,590
Additions				94	94
Disposals				-56	-56
Revaluations	308		557		864
FX effect		-16	-3	0	-19
as at 31 March 2024	3,329	6,383	2,350	411	12,474
Depreciation					
accumulated as of 1 April 2023	664	2,440	1,186	191	4,481
in the financial year	178	563	370	109	1,220
Revaluations					0
Disposals				-56	-56
FX effect		0	0	0	-15
Net book value as at 31 March 2024	2,487	3,380	794	167	6,844

The Group presents rights of use separately from other assets in the balance sheet. This does not apply to rights of use that fall within the scope of IAS 40. These are reported under the balance sheet item "Yield on real estate". At Electrovac EMG, leased land is sublet in this context.

13.2 Leasing in the consolidated statement of comprehensive income

in kEUR	2024/2025	2023/2024
Depreciation on rights of use	-1,270	-1,220
Interest expenses from lease liabilities	-530	-532
Expenses for low-value leased assets	-174	-40
Expenses for short-term leases	-52	-53
Expenses for ancillary costs	-57	-55

Variable lease payments that are not linked to a price or index, or non-lease components that are not taken into account when determining lease liabilities, are incurred in the form of ancillary costs for leased properties. The low value of a leased asset is determined by a reference value of EUR 8,000. Rental income generated in connection with rights of use that are reported as investment properties is explained in note 14.

13.3 Lease liabilities

Lease liabilities are presented below by maturity and term:

as at 31 March 2024	Up to 1 year kEUR	1 to 5 years kEUR	Longer than 5 years kEUR	Total kEUR
Electrovac EMG				
Undiscounted payments	437	1,622	3,580	5,640
Interest expense	160	544	582	1,287
Present values	277	1,078	2,998	4,353
Electrovac H&H				
Undiscounted payments	759	2,070	1,741	4,569
Interest expense	266	797	376	1,439
Present values	493	1,273	1,365	3,130
Electrovac TH				
Undiscounted payments	41	21		62
Interest expense	1	1		2
Present values	40	19	0	59
Beutlhauser KG				
Undiscounted payments	522	2,182	586	3,289
Interest expense	82	202	16	300
Present values	440	1,979	570	2,989
Total lease liability as at 31 March 2024	1,249	4,350	4,933	10,532
as at 31 March 2025	Up to 1 year kEUR	1 to 5 years kEUR	Longer than 5 years kEUR	Total kEUR
Electrovac EMG				
Undiscounted payments	544	1,954	3,324	5,822
Interest expense	172	546	490	1,208
Present values	372	1,408	2,834	4,614
Electrovac H&H				
Undiscounted payments	779	1,888	1,325	3,992
Interest expense	242	704	235	1,181
Present values	537	1,184	1,090	2,811
Electrovac TH				
Undiscounted payments	70	143		212
Interest expense	6	8		14
Present values	63	135	0	198
Beutlhauser KG				
Undiscounted payments	525	2,243		2,767
Interest expense	70	148		218
Present values	455	2,094	0	2,549
Total lease liability as at 31 March 2025	1,428	4,822	3,923	10,173

New lease liabilities or lease liabilities that are measured at a changed interest rate in accordance with IFRS 16.41 are discounted using a weighted average marginal borrowing rate of 4.21% (previous year: 4.61%). Any changes to a reference index that form part of future remuneration in connection with leases are not presented in future payments.

Most leases include extension options for the Group. If there is sufficient certainty that an option will be exercised, the adjustment to the term is taken into account in determining the lease liability. There are no agreed residual value guarantees.

13.4 Sale and leaseback

In the 2017/2018 financial year, Electrovac H&H sold its developed commercial properties to Beutlhauser Beteiligungs GmbH and then leased them back. The right of use resulting from the transaction is amortised over the basic lease term of 15 years. At the end of the basic lease term, the tenant has an option to extend the lease for 10 years at a time. According to an expert opinion, the sale price of kEUR 2,600 from the transaction represented the fair value (category 3). The gain on the sale is recognised through reduced depreciation in the course of an adjustment to the carrying amount of the corresponding right of use.

14. Investment properties

Electrovac EMG holds land and buildings as financial investments. Investment properties are initially measured at acquisition or production cost and subsequently measured using the cost model. In accordance with IFRS 16, investment properties also include land that the Group holds in the form of a right of use as a lessee:

in KEUR	Investment properties	of which leased
Acquisition costs		
As at 1 April 2024	1,645	1,165
Additions		
Disposals		
Revaluations	52	52
as at 31 March 2025	1,698	1,217
Depreciation		
accumulated as at 1 April 2024	704	294
in the financial year Revaluations	92	66
Disposals		
Net book value as at 31 March 2025	902	857
	Investment properties	of which leased
Acquisition costs		
As at 1 April 2023	1,538	1,057
Additions		
Disposals		
Revaluations	108	108
as at 31 March 2024	1,645	1,165
Depreciation		
Cumulative as at 1 April 2023	615	232
in the financial year	89	62
Revaluations		
Disposals		
Net book value as at 31 March 2024	941	870

In the past financial year, Electrovac EMG recognised the following income and expenses from investment properties in profit or loss:

in kEUR	Financial years	
	2024/2025	2023/2024
Rental income	410	446
Direct operating expenses (proportionate lease)	-80	-77
Operating costs charged (included in rental income)	-123	-108
Profit from investment properties	207	262

The fair value of investment property as at 31 March 2025 (31 March 2024) amounts to kEUR 4,348 (kEUR 5,538). The fair value is not based on an expert opinion. The fair value (category 3) is determined using a present value calculation, whereby the updated annual income from investment properties is discounted at an interest rate of 4% over the remaining useful life of 47 (48) years. The interest rate and remaining useful life are based on the lease agreement that Electrovac EMG has concluded for the rental of land.

15. Financial assets

Long-term financial assets include Beutlhauser GmbH & Co. KG's stake in Komplementär Beutlhauser Verwaltungs GmbH, Salzweg, amounting to kEUR 26. The company's equity amounted to kEUR 62 as at 31 March 2025, with a 100% share in capital. The net profit for the financial year from 1 April 2024 to 31 March 2025 amounted to kEUR 4.

This balance sheet item includes the positive fair value of an interest rate swap (kEUR 8) concluded as part of an interest rate hedge in the 2023/2024 financial year. The hedging relationship was designated as a cash flow hedge. As there is a negative fair value as at 31 March 2025, this will be shown on the liabilities side in the 2024/2025 financial year (item 22).

In addition, savings and security deposits of Electrovac TH and a loan in the amount of kEUR 255 (kEUR 248) are reported here.

16. Inventories

Inventories are composed as follows:

in kEUR	Financial years	
	2024/2025	2023/2024
Raw materials, consumables and supplies	20,968	17,806
Work in progress	9,359	8,436
Finished goods and merchandise	6,905	6,030
Gross inventories	37,233	32,271
less value adjustments for inventories	-5,755	-5,693
Net inventories	31,478	26,578

In accordance with IAS 2, inventories include assets held for sale in the ordinary course of business (finished goods and merchandise), assets in the process of production for sale (work in progress) or assets consumed in the production or rendering of services (raw materials and consumables).

Raw materials, components and changes in inventories of finished goods and work in progress recognised as expenses in cost of sales amounted to kEUR 37,840 in the 2024/2025 financial year (previous year: kEUR 34,850).

Impairments and reversals of impairments of inventories included in the cost of sales, for example due to price differences, and additional expenses for material destruction and individual value adjustments amounted to kEUR -764 in the 2024/2025 financial year (previous year: kEUR -862). The difference compared to the previous year is mainly due to reporting date effects at Electrovac H&H, Electrovac EMG and Beutlhauser KG in the course of the usual impairment test. The methodology for value adjustments is explained in section 2.14.

Electrovac H&H's inventories have been assigned as collateral for overdraft facilities to the financing house banks.

17. Trade receivables

As in the previous year, trade receivables are due within one year and are composed as follows (in kEUR):

	Financial years	
	2024/2025	2023/2024
Trade receivables	8,680	8,276
FX effect	-179	-19
Value adjustment for irrecoverable and doubtful receivables	-26	-28
Value adjustment for expected losses in accordance with IFRS 9	-10	-10
FVOCI measurement	-9	-1
Total trade receivables	8,456	8,217

The opening balance for trade receivables includes effects from factoring and forfaiting in the amount of kEUR 7,974 (previous year: kEUR 6,865).

The general credit risk is taken into account by means of a valuation allowance for expected losses in accordance with IFRS 9. Receivables that are not past due are anticipated on the basis of expected default rates (kEUR -10). Individual valuation allowances are made on a case-by-case basis and as required (kEUR -26).

The Group's experience to date with regard to the recoverability of receivables is reflected in the calculation of the value adjustment. Management assumes that there are no default risks for receivables that exceed the value adjustments.

The overdue receivables are as follows:

	Gross balance (in kEUR)	of which as at Closing date not past due (in kEUR)	Adjusted in accordance with Stage 2 (ECL)	Adjusted in accordance with Stage 3 (ECL)	Of which past due on the balance sheet date in the following time bands (in kEUR)					
					Overdue 1-30	Overdue 31-60	Overdue 61-90	Overdue 91-180	Overdue 181-360	Overdue > 360
Trade receivables and services	8,680	6,692	-10	-26	1,350	280	227	143		
as at 31 March 2025	8,680	6,692	-10	-26	1,350	280	227	143	0	0
Trade receivables and services	8,276	6,073	-10	-28	1,208	217	429	356	40	-47
as of 31 March 2024	8,276	6,073	-10	-28	1,208	217	429	356	40	-47

With regard to trade receivables that are neither impaired nor past due, there are no indications as of the balance sheet date, as in the previous year, that the debtors will not meet their payment obligations.

As trade receivables are allocated to the "hold and sell" business model, subsequent measurement is carried out at fair value through other comprehensive income (FVOCI).

Electrovac H&H began forfaiting financing in the 2021/2022 financial year, which was intensified in subsequent years. Receivables are selectively.

In addition, reverse factoring agreements exist with two major customers

Furthermore, Beutlhauser GmbH & Co. KG and Electrovac EMG sell trade receivables as part of factoring financing.

Electrovac TH concluded a reverse factoring agreement with a major customer in the past financial year. In the 2024/2025 financial year, financing was also provided by means of factoring.

18. Other assets

Other receivables and assets (in kEUR) are composed as follows:

	Financial years	
	2024/2025	2023/2024
Tax receivables	961	504
<i>of which VAT receivables</i>	943	502
Financial assets	1,524	1,001
Other assets	513	356
Prepaid expenses	526	361
Total other current receivables	3,524	2,223

Current financial assets include loans to shareholders (kEUR 1,311) agreed in the 2023/2024 financial year.

Other assets include accounts payable, advance payments for inventories and reimbursement claims.

Accruals mainly relate to rent and insurance payments.

19. Cash

Cash and cash equivalents are recognised in the balance sheet at cost. They comprise cash on hand and demand deposits or cash advances with a maturity of up to three months. Overdraft facilities are also reported as current financial liabilities under current liabilities (see note 22).

in kEUR	Financial years	
	2024/2025	2023/2024
Bank balances	1,588	1,202
Overdraft facilities	-5,564	-4,274
Total cash and cash equivalents	-3,976	-3,072

20. Equity

The share capital of electrovac AG is divided into 500,000 no-par value shares and amounts to kEUR 500 as at the balance sheet date:

Shares in circulation

Common shares issued as of 1 April 2023	500,000
Capital increase in kind Cash capital increase	
Common shares issued as of 31 March 2024	500,000
Common shares issued as of 1 April 2024	500,000
Increase in capital in kind Increase in cash capital	
Common shares issued as of 31 March 2025	500,000

The capital increase in kind resolved at the Annual General Meeting on 22 March 2018, whereby Electrovac H&H, Electrovac EMG, Electrovac France, Electrovac JP and Beuthhauser KG were contributed as of 31 March 2018.

The issue of 38,206 new no-par value shares was entered in the commercial register on 17 May 2018. On 26 June 2018, the shareholders of electrovac AG carried out a further capital increase through cash contributions made on the same day. In the course of this, 361,794 shares were issued.

The consolidated equity is broken down as follows (in kEUR):

	Financial years	
	2024/2025	2023/2024
Issued share capital	500	500
Capital reserve	29,015	29,015
Other reserves	-151	-431
Retained earnings	15,236	10,438
Total equity	44,601	39,522

The capital reserve primarily comprises the capital increase in kind and cash carried out in 2018, less the directly attributable expenses for raising equity capital (kEUR 28,518). In addition, the item includes a debt waiver by Electrovac Holding AG in connection with the acquisition of patents and trademark rights in the amount of kEUR 465. Furthermore, kEUR 32 was reclassified from existing retained earnings to capital reserves in the 2018/2019 financial year.

Other reserves include currency translation differences from consolidation measures, valuation effects of financial instruments recognised at fair value through other comprehensive income, and actuarial gains or losses from defined benefit plans and their tax effects.

Other reserves exclusively represent the cumulative OCI effect.

In the 2024/2025 financial year, a dividend payment of kEUR 385 was approved and paid out. In the previous year, a distribution of kEUR 400 was approved and paid at the beginning of the 2024/2025 financial year. The dividend per share amounts to EUR 0.77 (previous year: EUR 0.80).

The changes in retained earnings are due to the allocation of consolidated profit from the current financial year in the amount of kEUR 5,183 and a dividend of kEUR 385 paid on the reporting date. The profit carried forward from the previous year amounts to kEUR 10,438.

Earnings per share (basic/diluted) amounted to EUR 10.37 as at 31 March 2025. In the previous year, this figure was EUR 3.85. The calculation is based on the average number of shares outstanding during the reporting period. This was 500,000 shares in both the past financial year and the previous year.

21. Information on capital management

The Group's objective is to maintain a strong capital base in order to preserve the confidence of creditors and markets and to ensure the sustainable development of the company. Management regularly monitors the return on capital and the amount of distributions paid to shareholders.

Management strives to strike a balance between increasing returns, which could be achieved with a higher debt ratio, and the advantages of a stable capital base.

The Group monitors capital using a ratio of net debt to equity. Net debt comprises all liabilities as reported in the balance sheet less cash and cash equivalents. Equity comprises all components of shareholders' equity.

	Financial years	
in kEUR	2024/2025	2023/2024
Total debt	42,638	41,122
Less cash and cash equivalents	-1,588	-1,202
Net debt	41,050	39,920
Equity	44,601	39,522
Net debt to equity ratio	0.92	1.01

22. Financial liabilities

Financial liabilities are broken down as follows (in kEUR):

	Financial years	
	2024/2025	2023/2024
Non-current bank liabilities	5,325	6,219
Long-term derivatives	21	0
Non-current financial liabilities	5,345	6,219
Current bank liabilities	2,000	2,400
Current account liabilities	5,564	4,274
Current portion of long-term financial liabilities	2,182	2,353
Current financial liabilities	9,746	9,028
Total financial liabilities	15,091	15,246

The maturity of financial liabilities is as follows (in kEUR):

	Financial years	
	2024/2025	2023/2024
Up to 1 year	9,746	9,028
1 to 5 years	4,934	5,132
Over 5 years	411	1,086
Total financial liabilities	15,091	15,246

The financial liabilities mainly comprise the following credit and loan agreements:

In kEUR	Currency	Nominal interest rate (%)	Maturity year	31 March 2025		31 March 2024	
				Nominal amount	Book value	Nominal amount	Book value
Hire purchase loans (secured)	EUR	-	2025-2032	5,349	3,101	3,489	2,011
KFW loan (secured)	EUR	1.00-4.25	2025-2030	3,800	1,079	3,800	1,789
Other loans (secured)	EUR	3.60	2025-2030	5,763	5,327	11,098	7,172
Current account (secured)	EUR	5.70-6.00	-	5,564	5,564	4,274	4,274
Total				20,476	15,071	22,661	15,246

electrovac AG took out an investment loan with a nominal value of kEUR 4,000 for the acquisition of trademark rights and patents, which expired at the end of the financial year. A follow-up loan with a nominal value of kEUR 1,000 and a carrying amount of kEUR 1,000 as at 31 March 2025 was taken out in the 2023/2024 financial year. To this end, electrovac AG pledged its industrial property rights to Hypo Vereinsbank and assigned licences as security.

In the 2024/2025 financial year, Electrovac H&H took out new hire purchase loans for machine financing in the amount of kEUR 425. Beutlhauser KG took out new hire purchase loans in the amount of kEUR 996.

Electrovac AG acts as guarantor for various loans taken out by Electrovac H&H. In addition, Electrovac AG has issued a firm letter of comfort to the Raiffeisenlandesbank Oberösterreich Aktiengesellschaft bank for Beutlhauser KG in the amount of kEUR 1,000. The letter of comfort is limited to the period during which the subsidiary utilises the loan.

As part of a KFW loan (nominal value of kEUR 1,125, carrying amount of kEUR 188), Electrovac H&H has agreed certain covenants with Commerzbank AG based on the financial statements prepared in accordance with commercial law (in the narrow sense), which, if not complied with, will result in the loan becoming due and payable to the bank.

The covenants at Electrovac H&H level are as follows:

Equity covenant (equity ratio); value at least 30%

	as at 31 March 2025	as at 31 March 2024
Equity	22,149,821	18,804,067
Adjusted for deferred taxes	30,266	15,677
Counter	22,180,087	18,819,744
Balance sheet total	42,237,799	36,982,932
Less deferred taxes	-30,266	-15,677
Denominator	42,207,533	36,967,255
Key figure as of the reporting date	52.6%	50.9%

Debt covenant (net financial liabilities / EBITDA); value max. 3.0

	as at 31 March 2025	as at 31 March 2024
Financial liabilities >1 year	2,489,953	3,032,715
Financial liabilities <1 year	5,519,058	4,236,741
Less cash and cash equivalents	-478,385	-372,910
Numerator (net financial liabilities)	7,530,626	6,896,546
EBIT (line 12 minus lines 8-11)	5,227,255	659,753
Total depreciation	1,265,781	1,315,682
Denominator (EBITDA)	6,493,036	1,975,435
Key figure as of the reporting date	1.16	3.49

As at 31 March 2025, the requirements for equity ratio and gearing ratio will be met. As at 31 March 2024, the specified gearing ratio was slightly exceeded.

23. Long-term personnel provisions

The long-term personnel provisions reported in the balance sheet are composed as follows (in kEUR):

	Financial years	
	2024/2025	2023/2024
Severance pay provision	1,246	1,356
Provisions for anniversaries	531	515
Provision for partial retirement	375	374
Provisions for severance payments, other	93	73
Total long-term personnel provisions	2,246	2,319

Within the Electrovac Group, there are both defined contribution and defined benefit pension obligations toward employees. Defined contribution plans relate to the obligation in Austria, effective since 1 January 2003, to pay monthly contributions into a severance fund ("employee

provision fund”) for employees who joined the company on or after that date. In addition, Electrovac H&H has a defined contribution obligation to pay pension benefits into a fund (Metall Rente) for its employees. Defined contribution payments are recognised as an expense in the consolidated statement of comprehensive income as they fall due.

Defined benefit obligations represent post-employment benefits for employees at Electrovac EMG who joined the company before 1 January 2003 (provisions for severance payments). In addition, other long-term benefits (anniversary bonuses, partial retirement) are reported for the plants in Germany and Austria. Furthermore, provisions for severance payments are made for employees at Electrovac TH. The aforementioned benefit commitments are measured in accordance with IAS 19 using the projected unit credit method. No plan assets are accumulated in the course of this. Benefits are financed from the company's own cash flow on an ad hoc basis. According to expert opinions and estimates, total expenses of kEUR 247 are expected in the next reporting period. Employees do not make any contributions to the defined benefit plans.

Anniversary bonuses are granted to all employees at Electrovac H&H, Beuthhauser KG and Electrovac EMG in accordance with their length of service. Entitlement to partial retirement is assessed on an individual basis at Electrovac H&H.

Where applicable, the 2018G tables by Klaus Heubeck and the AVÖ 2018-P – calculation bases for pension insurance – serve as biometric calculation bases.

23.1 Provisions for severance payments

In the 2024/2025 financial year, there are obligations to pay severance payments within the Electrovac Group for employees of Electrovac EMG, where there are both defined benefit and defined contribution plans.

The provisions arising from defined benefit plans were calculated in accordance with actuarial principles. Severance pay provisions are formed for the statutory entitlements of workers and employees. The amount of the entitlements depends on the number of years of service and the relevant remuneration at the time the severance pay becomes due.

The development of the provision for severance payments at Electrovac EMG is shown below (in kEUR):

	Financial years	
	2024/2025	2023/2024
Opening balance	1,356	1,359
Current service cost	45	43
Interest expense	51	52
Actuarial losses/gains	37	79
Actual payments	-243	-178
Balance at the end of the financial year	1,246	1,356

Provisions for severance payments have been made for employees and workers who are entitled to severance payments in accordance with the Employees Act, the Workers' Severance Pay Act or works agreements. Employees whose employment relationships are subject to Austrian law are entitled to severance pay upon termination of their employment relationship upon reaching the statutory retirement age if the employment relationship began before 1

January 2003 and has lasted for at least ten years without interruption, even if the employment relationship is terminated by the employee. The amount of severance pay depends on the amount of remuneration at the time of termination and the length of service. These employee entitlements are therefore to be treated as entitlements from defined benefit pension plans, although there are no plan assets to cover these entitlements. The same applies to workers who are entitled to severance pay under the Workers' Severance Pay Act and to severance pay payable under a works agreement.

The valuation of existing severance payment obligations is based on assumptions and estimates that can significantly influence the amount recognised in the balance sheet. In this regard, the Electrovac Group is subject to risks relating to the development of the discount rate, salary and pension trends, the probability of staff turnover and mortality rates. These risks are continuously monitored by the relevant risk management team and examined for possible mitigation measures. Severance payments are not hedged by cover assets or outsourced, but are included in risk management where necessary and economically viable. The capital required for severance payments is addressed as part of capital risk management.

The following effects of the defined benefit plans on future cash flows are expected for the coming financial year and were expected in the previous year:

2025/2026

Current service cost	36 kEUR
Net interest costs	43 kEUR

2024/2025

Current service cost	45 kEUR
Net interest costs	51 kEUR

The most important actuarial assumptions used as at the balance sheet date are listed below in per cent:

	Financial years	
	2024/2025	2023/2024
Discount rate	3.65%	3.75
Future wage and salary increases	3.92%	3.90
Fluctuation in workers/employees	0.00%	0.00
Retirement age for men	65	65
Retirement age for women	60-65	60-65

Assumptions about future life expectancy are based on published statistics and mortality tables. As in the previous year, the new Austrian pension insurance tables entitled "AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung" (AVÖ 2018-P – Calculation bases for pension insurance), which comply with legal requirements, were used as the basis for calculations.

On 31 March 2025, the weighted average term of the defined benefit obligation is 9 years (previous year: 10 years).

Sensitivity analysis

Changes in significant actuarial assumptions that were reasonably possible at the balance sheet date would have affected the defined benefit obligation by the following amounts, assuming that all other assumptions remained constant:

Effect in kEUR	31 March 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-104	117	-118	133
Salary increases (1% change)	116	-104	132	-119
Pension increases (0.25% change)	n/a	n/a	n/a	n/a

23.2 Anniversary provisions

Entitlements to anniversary bonus payments exist at Electrovac H&H, Beuthhauser KG and Electrovac EMG. During the reporting period, provisions for anniversary bonuses developed as follows (in kEUR):

	Financial years	
	2024/2025	2023/2024
Opening balance	515	483
Current service cost	38	37
Interest expense	19	18
Actuarial losses/gains	-17	28
Actual payments	-24	-52
Balance at the end of the financial year	531	515

The most important actuarial assumptions used at the balance sheet date for calculating provisions for anniversary bonuses are largely identical to those used for calculating provisions for severance payments. The discount rate for anniversary provisions within the Group ranges from 3.50 to 3.65 per cent. At Electrovac EMG, a fluctuation rate of 10% is assumed, as in the previous year.

23.3 Provisions for partial retirement

Provisions for partial retirement are made at Electrovac H&H. According to the expert opinion, the provisions for partial retirement developed as follows during the reporting period (in kEUR):

	Financial years	
	2024/2025	2023/2024
Opening balance	374	281
Current service cost	132	226
Interest expense	12	8
Actual payments	-144	-140
Balance at the end of the financial year	375	374

The most important assumptions used as at the balance sheet date are:

	Financial years	
	2024/2025	2023/2024
Discount rate	2.5%	3.7%
Future wage and salary increases	2.2%	2.2%
Retirement age for men	67	67
Retirement age for women	67	67

24. Provisions

Other short-term provisions are as follows (in kEUR):

	Financial years	
	2024/2025	2023/2024
Warranty provisions	160	157
Provisions for contingent losses	461	502
Total other current provisions	621	658

The development of the individual provisions in the financial year is shown in the following table:

	Balance as at 1 April 2024	Allocation	Reversal	Compoundin g	Discount	Consumption	Balance as at 31 March 2025
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Warranty provisions	157	11	8	0	0	0	160
Threat loss provisions	502	0	0	0	0	40	461
Total	658	11	8	0	0	40	621

	Status as of 1 April 2023	Allocation	Reversal	Compoundin g	Discount	Consumption	Balance as at 31 March 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Warranty provision	184	0	27	0	0	0	157
Threat loss provisions	475	35	8	0	0	0	502
Total	659	35	35	0	0	0	658

The warranty provision is based on the warranty expenses incurred in previous years. Therefore, the actual expense incurred may differ significantly from the amount provisioned.

The provision for contingent losses is formed for all delivery orders included in the order backlog as of the balance sheet date.

25. Trade payables

As in the previous year, trade payables are due within one year and amount to the following in kEUR per individual company as at the balance sheet date:

	Financial years	
	2024/2025	2023/2024
electrovac AG	12	11
Electrovac H&H	2,365	2,673
Electrovac EMG	1,468	1,254
Electrovac TH	300	336
Beutlhauser KG	688	715
Electrovac JP	5	9
Electrovac FR	6	8
Electrovac USA	80	93
Total trade payables	4,924	5,099

26. Tax provisions

The following table shows income tax expenses that have not yet been assessed, in kEUR:

	Financial years	
	2024/2025	2023/2024
Trade tax	745	41
Corporation tax	1,319	519
Total income tax liabilities	2,064	560

27. Other current liabilities

As in the previous year, other current liabilities are due within one year and comprise the following (in kEUR):

	Financial years	
	2024/2025	2023/2024
Liabilities for unused holiday entitlement	1,333	1,209
Liabilities from flexitime credits	646	559
Liabilities from bonuses and royalties	984	665
Liabilities for special payments	957	837
Liabilities for legal and consulting fees	208	195
Other liabilities relating to social security	259	244
Liabilities to tax authorities	508	486
Other liabilities	2,173	1,961
Total other current liabilities	7,069	6,156

This balance sheet item includes deferred liabilities in accordance with IAS 37 amounting to kEUR 4,901 (previous year: kEUR 4,160).

Other liabilities include other current financial liabilities amounting to kEUR 1,118 (previous year: kEUR 969).

28. Overview of financial instruments

The Group's financial assets and financial liabilities developed as follows in the financial years (in kEUR):

Carrying amounts of financial instruments by category in accordance with IFRS 9 and their fair values in kEUR						
Assets	Category in accordance with IFRS 9	Carrying amount 31 March 25	at amortised cost	at fair value recognised in equity	at fair value in the income statement recognised	Fair value 31 March 25
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
	AC	281	281			281
Long-term receivables from derivatives Other long-term financial receivables	Hedge accounting					
	AC	69	69			69
Current financial assets Trade receivables Cash and cash equivalents Loans granted	FVOCI	8,456		8,456		8,456
Current receivables from derivatives Other current financial receivables	AC	1,588	1,588			
	AC	1,311	1,311			
	FVTPL					
Liabilities	AC	213	213			
Long-term financial liabilities						
Long-term loan liabilities	AC	5,345	5,345			5,273
Long-term liabilities from derivatives Other long-term financial liabilities	FVTPL	21		21		21
	AC					
Short-term financial liabilities Trade payables Short-term loan liabilities	AC	4,924	4,924			
Short-term liabilities from derivatives Other short-term financial liabilities	AC	9,746	9,746			
	FVTPL					
	AC	1,118	1,118			
Financial assets at fair value through profit or loss	FVTPL					
Financial assets at amortised cost	AC					
Financial assets at fair value through other comprehensive income	FVOCI					
Financial liabilities at fair value through profit or loss	FVTPL					
Financial liabilities at amortised cost	AC					

Carrying amounts of financial instruments according to the categories under IFRS 9 and their fair values in kEUR						
Assets	Category according to IFRS 9	Carrying amount 31 March 24	at amortised cost	at fair value recognised in equity	at fair value in the income statement recognised	Fair value 31 March 24
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
Long-term receivables from derivatives Other long-term financial receivables	AC	248	248			248
	Hedge accounting	8		8		8
	AC	62	62			62
Current financial assets Trade receivables						
Cash and cash equivalents	FVOCI	8,217		8,217		8,217
Loans granted	AC	1,202	1,202			
Current receivables from derivatives Other current financial receivables	AC	846	846			
	FVTPL					
	AC	155	155			
Liabilities						
Long-term financial liabilities						
Long-term loan liabilities	AC	6,219	6,219			9,470
Long-term liabilities from derivatives Other long-term financial liabilities	FVTPL					
	AC					
Current financial liabilities Trade payables						
Current loan liabilities	AC	5,099	5,099			
Current liabilities from derivatives Other current financial liabilities	AC	9,028	9,028			
	FVTPL					
	AC	969	969			
Financial assets at fair value through profit or loss	FVTPL					
Financial assets at amortised cost	AC					
Financial assets at fair value through other comprehensive income	FVOCI					
Financial liabilities at fair value through profit or loss	FVTPL					
Financial liabilities at amortised cost	AC					

Hedge accounting

In the 2023/2024 financial year, a payer interest rate swap with a nominal value of kEUR 2,000 was concluded to hedge variable interest payments from a loan taken out and from expected loans that are highly likely to occur. The underlying transactions and hedging instruments were designated in a hedging relationship (cash flow hedge). Prospective effectiveness was determined using the critical terms match method; retrospective effectiveness was determined using the hypothetical derivative method. There were no inefficiencies as of the balance sheet date. The term, reference interest rate and nominal amount are identical. The change in value of the swap is therefore recognised in its entirety in other comprehensive income. As at the balance sheet date, the fair value amounted to kEUR -21 (previous year: kEUR 8).

Fair value

The following table shows the valuation techniques used to determine the fair values of levels 2 and 3, as well as the significant unobservable input factors used:

Valuation based on observable market inputs (Level 2)

Financial instruments measured at fair value

Type	Valuation technique	Significant, unobservable Input factors
Trade receivables	Nominal value less factoring fees for unsold factoring exposure	N.V.
Long-term receivables or liabilities from derivatives	Present value calculation: discounting for future interest income and interest payments from interest rate swaps	Forecast assumptions for the development of the 3M Euribor (iterative approximation for sensitivity)

Valuation using input factors not observable on the market (Level 3)

Financial instruments not measured at fair value for which the fair value must be disclosed

Type	Valuation technique	Significant unobservable input factors
Other non-current financial receivables		
Loan liabilities Loans granted	Discounting of expected future cash flows (DCF)	Bank margin (derived)

No fair value is stated for short-term financial instruments, as it is assumed for simplicity's sake that this approximates the carrying amount due to the short term.

Net result

The following table shows the net result from financial instruments (in kEUR). It includes currency results, interest and other effects recognised in profit or loss:

Net result from financial instruments

Financial assets measured at amortised cost (AC)	-80
<i>of which interest income</i>	76
Financial assets measured at fair value through profit or loss assets (FVOCI)	-706
<i>of which interest expense</i>	-490
Financial liabilities measured at amortised cost Liabilities (AC)	-780
<i>of which interest expense</i>	-776

29. Information on contingent assets/liabilities

Apart from intra-group guarantees and letters of comfort, no significant contingent assets/liabilities are recognised as at the balance sheet date.

30. Information on the cash flow statement

With regard to the components of cash and cash equivalents, please refer to No. 19 Cash and cash equivalents. Cash and cash equivalents are defined as the balance of cash and cash equivalents with a maturity of less than three months, less the liabilities from current account relationships included in current financial liabilities, which are part of company-wide cash management.

Cash flow from operating activities is presented using the indirect method.

Interest income is allocated in full to cash flow from investing activities. Interest payments in connection with lease liabilities and loans are reported in full in cash flow from financing activities. Tax payments are reported in full under operating activities.

There are no restrictions on the disposal of funds in the cash fund.

The exchange rate-related change in the value of cash and cash equivalents was determined on the basis of a simplified direct calculation using average exchange rates for the period.

In kEUR	Notes	Debts			Equity					Total
		On cash management current account overdrafts	Other financial liabilities	Lease liabilities	Subscribed capital	Capital reserve	Other reserves	Net profit		
Balance sheet as at 1 April 2024										
		4,275	10,972	10,532	0	500	29,015	-431	10,438	65,300
Changes in cash flow from financing activities										
Proceeds from the issue of shares	20									0
Proceeds from other financial liabilities	22		1,425							1,425
Payments for other financial liabilities	22	1,290	-2,890							-1,600
Interest paid	8		-1,356	-530						-1,886
Repayment of lease liabilities	13			-1,364						-1,364
Distribution	20								-785	-785
Total change in cash flow from financing activities										
		1,290	-2,821	-1,894		0	0	0	-785	-4,211
Effects of exchange rate changes										
		0	0	0		0	0	336	0	336
Changes in fair value										
		0	0	0		0	0	-28	0	-28
Other changes related to equity										
Other changes related to equity	20									
Capital increase carried out										0
Actuarial gains/losses	23.1							-27		-27
Profit for the period									5,183	5,183
Total other changes relating to liabilities										
	8,13,22		1,376	1,535						2,911
Total other changes relating to equity										
						0	0	-27	5,583	5,556
Balance sheet as at 31 March 2025										
		5,564	9,528	10,173		500	29,015	-151	15,236	69,865

In KEUR	Notes	Debts			Equity				Total
		Used for cash management purposes Overdraft facilities	Other financial liabilities	Leasing liabilities	Subscribed capital	Capital reserve	Other reserves	Balance sheet profit	
Balance sheet as of 1 April 2023		6,603	9,618	10,732	500	29,015	-99	8,914	65,282
Changes in cash flow from financing activities									
Proceeds from the issue of shares	20								0
Proceeds from other financial liabilities	22		3,780						3,780
Payments for other financial liabilities	22	-2,328	-2,425						-4,754
Interest paid	8		-1,375	-533					-1,908
Repayment of lease liabilities	13			-1,247					-1,247
Distribution	20							-427	-427
Total change in cash flow from financing activities		-2,328	-21	-1,779	0	0	0	-427	-4,555
Effects of exchange rate changes		0	0	0	0	0	-279	0	-279
Changes in fair value		0	0	0	0	0	7	0	7
Other changes related to equity									
Capital increase carried out									0
Actuarial gains/losses	23.1						-61		-61
Profit for the period								1,924	1,924
Total other changes relating to liabilities		8,13,22	1,375	1,579					2,955
Total other changes relating to equity					0	0	-61	1,951	1,891
Balance sheet as at 31 March 2024									
		4,275	10,972	10,532	500	29,015	-431	10,438	65,300

31. Related companies and people

electrovac AG's connections to related parties in the reporting year are as follows:

Name	Close relationship as at the balance sheet date
Christoph Beutlhauser	Shareholder of electrovac AG, Managing Director of Beutlhauser GmbH & Co. KG
Michael Beutlhauser	Shareholder of electrovac AG, Managing Director of Beutlhauser GmbH & Co. KG
Dieter Thumfart	Member of the Board of electrovac AG, Managing Director of Electrovac Hacht und Huber GmbH, Managing Director of Electrovac Metall- Glaseinschmelzungs GmbH, Managing Director of Electrovac (Thailand) Co. Ltd
Christian Fürst	Member of the Supervisory Board of electrovac AG (Chairman)
Oliver Mülhberger	Member of the Supervisory Board of electrovac AG (Deputy Chairman)
Martin Wösner	Member of the Supervisory Board of electrovac AG

In accordance with IAS 24, persons who control electrovac AG, exercise significant influence or hold a key position in management are disclosed.

Control exists if a shareholder holds more than half of the voting rights in electrovac AG or has the power to control the financial and business policy of electrovac AG by virtue of the Articles of Association or a contractual agreement.

With regard to related companies, we refer to the organisational chart in section 1.1. Furthermore, the parent company Electrovac Holding AG, Chur, which does not prepare its own consolidated financial statements, is a related company.

Transactions with related companies and persons Values in kEUR	Carrying amount in FY 2024/25	Balance sheet total as at 31 March 2025	Carrying amount in FY 2023/24	Balance sheet total as at 31 March 2024
Licence payment for trademark rights and patents from Electrovac Hacht und Huber GmbH to electrovac AG	640	92	583	80
Licence payment for trademark rights and patents from Electrovac Metall-Glaseinschmelzungs GmbH to electrovac AG	200	26	155	21
Management fee for management services and billing of marketing costs from electrovac AG to Electrovac Hacht und Huber GmbH	242	30	216	21
Management fee for management services and billing of marketing costs from electrovac AG to Electrovac Metall-Glaseinschmelzungs GmbH	202	0	191	16
Management fee for management services and settlement of marketing costs from electrovac AG to Electrovac (Thailand) Co. Ltd	48	7	45	4
Management fee for commercial management from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac Hacht und Huber GmbH	120	40	108	9
Settlement of marketing costs from electrovac AG to Beuthhauser GmbH & Co.KG	16	2	9	1
Sale of airbag headers from Electrovac Hacht und Huber GmbH to Electrovac Japan KK (which is an intermediary for third-party customers)	2,435	182	2,749	271
Settlement of service fee for sales services from Electrovac Japan KK to Electrovac Hacht und Huber GmbH	74	0	77	0
Sale of semi-finished products and service fees for IT licences and distribution services from Electrovac Hacht und Huber GmbH to Electrovac Metall-Glaseinschmelzungs GmbH	790	23	611	30
Sale of components and tools and service fee for IT, development and technology from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac Hacht und Huber GmbH	8,972	3,337	9,972	4,106
Service fee for administrative services from Electrovac Hacht und Huber GmbH to electrovac AG	117	12	108	11
Sale of components, machines and spare parts from Electrovac Hacht und Huber GmbH to Electrovac (Thailand) Co. Ltd	5,695	1,809	1,858	351
Shareholder loan from Electrovac Hacht und Huber GmbH to Electrovac (Thailand) Co. Ltd.	60	4,054	65	2,015
Sale of tools and service fee for management and IT services from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac (Thailand) Co. Ltd	227	2	169	4
Sale of tools and service fee for IT from Electrovac Metall-Glaseinschmelzungs GmbH to Beuthhauser GmbH & Co. KG	87	29	40	6
Sale of semi-finished products and service fee for administrative services from Electrovac Hacht und Huber GmbH to Beuthhauser GmbH & Co. KG	2,071	115	1,755	289
Sale of components from Beuthhauser GmbH & Co. KG to Electrovac Hacht und Huber GmbH and Electrovac Metall- Glaseinschmelzungs GmbH	6,579	907	6,515	1,102
Lease of building space by Beuthhauser GmbH & Co. KG to Electrovac Hacht und Huber GmbH	43	0	42	0
Service fee for sales services provided by Electrovac France s.a.r.l. to Electrovac Hacht und Huber GmbH	228	0	228	0
Service fee for distribution services provided by Electrovac France s.a.r.l. to Electrovac Metall-Glaseinschmelzungs GmbH	152	0	152	0
Service fee for sales services provided by Electrovac USA Inc. to Electrovac Hacht und Huber GmbH	211	0	175	0
Service fee for distribution services provided by Electrovac USA Inc. to Electrovac Metall-Glaseinschmelzungs GmbH	89	8	75	0
Loans granted by Electrovac AG to shareholders and Electrovac Holding AG	66	1,311	16	846
Loan granted by Beuthhauser GmbH & Co. KG to shareholders	7	255	8	248

Transactions with related parties (in kEUR) are listed in the table above. All intra-group transactions are subject to payment terms of 30 to 75 days net. There is no collateral for any intra-group receivables or loans granted. Doubtful receivables, if any, are written down.

32. Events after the balance sheet date

There were no materially significant value-determining events after the balance sheet date in accordance with IAS 10.10.

G Risk management for financial risks

The Group is exposed to financial risks in the course of its operating activities. These include, in particular, interest rate, default, liquidity, price change and currency risks. These risks are managed and limited by management. Monitoring is carried out by the Group-wide risk management function.

1. Interest rate risk

The Management Board considers the impact of changes in market interest rates on consolidated earnings and operating cash flow to be low.

In accordance with IFRS 7, interest rate risks are presented using sensitivity analyses, whereby the hypothetical effects of changes in market interest rates on interest income and expenses are determined. The interest rate sensitivity analyses are based on the following assumptions:

- Changes in market interest rates for primary financial instruments with fixed interest rates only affect earnings if these are measured at fair value. Fixed-interest financial instruments are primarily long-term bank loans. Accordingly, all fixed-interest financial instruments measured at amortised cost are not subject to interest rate risk under IFRS.
- The Electrovac Group is exposed to interest rate risks vis-à-vis third parties in connection with factoring positions and short-term financial liabilities that carry variable interest rates. A change in interest rates of 100 basis points would have an effect on earnings of kEUR -135 in the event of an increase in interest rates and an effect of kEUR +135 in the event of a decrease in interest rates.
- The development of the 3M Euribor influences the market value of the interest rate swap used for hedging purposes. An interest rate increase of 100 basis points would have an effect on other comprehensive income of kEUR +29; an interest rate decrease of 100 basis points would have an effect on other comprehensive income of kEUR -29.

2. Default risk

Despite its international customer structure, the Group considers its default risk to be relatively low. It has regulations in place to ensure that products are only sold to customers with a good credit rating and to limit the extent of the default risk vis-à-vis individual contractual partners. In its operating business, outstanding receivables are monitored decentrally in the business divisions. Default risks are taken into account by means of portfolio value adjustments.

The maximum credit and default risk is reflected in the carrying amounts of the assets recognised in the balance sheet. Receivables are selectively sold under factoring/forfeiting agreements. In addition,

credit insurance for a significant portion of trade receivables.

Trade receivables not covered by credit insurance relate to a limited number of major listed customers in the automotive sector operating worldwide. We consider the probability of default due to insolvency on the part of these customers to be very low.

3. Liquidity risk

Liquidity risk management ensures the availability of sufficient funds and cost-effective financing through short-term financing tailored to requirements. Due to the dynamic nature of the underlying business and the fluctuating liquidity requirements during the year, efforts continue to be made to ensure flexible capital availability by providing credit lines that can be utilised at any time.

As at 31 March 2025, the Electrovac Group had granted overdraft facilities amounting to EUR 11.5 million. Of these credit lines, EUR 5.9 million had not been utilised as at the reporting date and, in addition to cash and cash equivalents of EUR 1.6 million, is available to cover liquidity requirements.

The maturity structure of the original and derivative financial liabilities based on future repayments and interest payments is as follows as at the reporting date:

Maturity analysis as at 31 March 2025

Remaining terms	Up to 1 year	Over 1 year to 5 years	Over 5 years
Long-term financial liabilities			
Long-term loan liabilities	2,378	5,353	418
Long-term liabilities from derivatives		21	
Other long-term liabilities			
Current financial liabilities			
Trade payables	4,924		
Short-term loan liabilities	7,969		
Current liabilities from derivatives			
Other short-term financial liabilities	1,118		

4. Price change risk on the procurement market

In addition to conventional metal goods, Electrovac also uses a wide variety of precious and industrial metals such as gold, nickel, cobalt, palladium and silver in the manufacture of its products. Global market prices for these metals have been subject to strong dynamics for some time, accompanied in some cases by high volatility. The Group counters the resulting price change risk with intensive market observation and customer contracts that are adjusted to changes in raw material prices.

Due to the contracts agreed with customers, price changes for gold can be passed on to them in full. The expected annual purchase volume of other precious and industrial metals amounts to approximately EUR 3.3 million (excluding processing fees and alloy surcharges). Price fluctuations for these metals are often not hedged in customer contracts. Considering this value as a risk position and assuming a confidence level of 95%, the aggregate value at risk based on historical data from the past financial year is kEUR 319 (previous year: kEUR 741). Correlation effects were not taken into account.

5. Currency risk

The Group is exposed to translation and liquidity-related transaction risks in connection with foreign currencies. The Group counteracts the operational EUR/USD currency risk with approximately equal purchases and sales in foreign currencies. In the 2024/2025 financial year, the Electrovac Group was exposed to an average monthly exposure to CNY of kEUR 1,200. No hedges were concluded against CNY. Beyond this, there are no significant currency risks.

H Group governing bodies

1. Executive Board

The following person has been appointed to the Management Board:

Chairman: Dieter Thumfahrt, Klosterneuburg, Austria

Deputy Chairman: Rainer Matzka, Vienna, Austria (resigned as of 31 March 2023)

2. Supervisory Board

The following members of the Supervisory Board of electrovac AG were appointed during the financial year and the accounting period:

- a) Chairman Christian Fürst, Thymau, Germany
- b) Deputy Oliver Mühlberger, Passau, Germany
- c) Martin Wösner, Ruhstorf, Germany

3. Shareholders

- a) Electrovac Holding AG, Chur, Switzerland
- b) Christoph Beutlhauser, Salzweg, Germany
- c) Michael Beutlhauser, Salzweg, Germany

4. Remuneration / Total remuneration

Values in kEUR	Short-term benefits	Post-employment benefits	Other long-term benefits	Benefits upon termination of employment	Share-based payments
Annual remuneration for the 2024/25 financial year					
Executive Board	380	0	0	0	0
Supervisory Board	114	0	0	0	0
Annual remuneration for the 2023/24 financial year					
Executive Board	351	0	0	0	0
Supervisory Board	114	0	0	0	0

I Company law data

The parent company, electrovac AG, with its registered office at Anglstraße 4, 94121 Salzweg, Germany, is a small corporation within the meaning of Section 267 (1) of the German Commercial Code (HGB). It was founded on 26 January 2018. The company is registered in the commercial register of the Passau Local Court under number HRB 10281.

Further information pursuant to Section 315 e (1) HGB:

Number of employees (all companies included in the report):

Average per financial year	31 March 2025	31 March 2024
Industrial employees	424	434
Employees	126	129
Total	550	563

Total auditor's fees broken down by:

in kEUR	Financial years	
	2024/2025	2023/2024
Fees for audit services	127	122
Fees for other assurance services		
Fees for tax advisory services		
Fees for other services	12	2
Total	139	124

Information on group affiliation

As the parent company, electrovac AG, Salzweg, prepares consolidated financial statements for the smallest and largest consolidation groups, as the parent company Electro-vac Holding AG, Chur, Switzerland, does not prepare its own consolidated financial statements.

The consolidated financial statements of the parent company electrovac AG, Salzweg, will be submitted electronically to the company register and published.

Approval and publication of the consolidated financial statements as at 31 March 2025

The consolidated financial statements and group management report prepared by the Management Board of electrovac AG as at 31 March 2025 will be released for publication upon signature by the Management Board.

Salzweg, 29 August 2025

electrovac AG
Executive Board

Dipl.-Ing. Dieter Thumfart

Appendix to the notes: Consolidated fixed asset schedule

Consolidated fixed asset schedule	Acquisition and production costs					Depreciation					Carrying amount		
	Balance as at					Balance as at	Balance as at				Balance as at	Status on	Status on
	1 April 2024 kEUR	Additions kEUR	Disposals kEUR	Transfers kEUR	Currency items kEUR	31 March 2025 kEUR	1 April 2024 kEUR	Additions kEUR	Disposals kEUR	Currency items kEUR	31 March 2025 kEUR	31 March 2025 kEUR	31 March 2024 kEUR
A. Fixed assets													
I. Intangible assets													
1. Concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets	5,609,792.04	242,953.49	-50,710.59	0.00	1,099.98	5,803,134.91	-2,719,997.34	-367,173.18	50,710.59	-817.32	-3,037,277.25	2,765,857.67	2,889,794.69
2. Goodwill	7,734,766.16	0.00	0.00	0.00	0.00	7,734,766.16	0.00	0.00	0.00	0.00	0.00	7,734,766.16	7,734,766.16
	13,344,558.20	242,953.49	-50,710.59	0.00	1,099.98	13,537,901.07	-2,719,997.34	-367,173.18	50,710.59	-817.32	-3,037,277.25	10,500,623.83	10,624,560.85
II. Rights of use													
1. Superstructure	3,329,071.50	149,829.72	0.00	0.00	0.00	3,478,901.22	-841,626.76	-188,376.74	0.00	0.00	-1,030,003.50	2,448,897.72	2,487,444.74
2. Land parcel and building	7,578,894.44	144,652.32	0.00	0.00	18,820.10	7,742,366.85	-4,185,366.01	-564,577.81	0.00	-17,618.00	-4,767,561.82	2,974,805.03	3,393,528.43
3. Other leased assets	2,761,489.21	654,395.89	-64,499.71	0.00	5,406.06	3,356,791.45	-1,798,196.24	-516,980.15	64,499.44	-3,401.87	-2,254,078.81	1,102,712.64	963,292.97
	13,669,455.15	948,877.93	-64,499.71	0.00	24,226.16	14,578,059.52	-6,825,189.01	-1,269,934.70	64,499.44	-21,019.86	-8,051,644.13	6,526,415.39	6,844,266.14
III Property, plant and equipment													
1. Land, rights equivalent to land and buildings, including buildings on third-party land	2,509,170.29	195,373.02	-6,934.00	30,620.95	24,141.65	2,752,371.90	-1,654,587.73	-160,494.79	5,659.91	-6,819.52	-1,816,242.13	936,129.77	854,582.56
2. Technical equipment and machinery	49,566,597.28	1,734,530.22	-1,532,508.42	119,679.02	354,920.14	50,243,218.24	-32,828,630.68	-3,123,927.20	1,504,138.82	-176,402.08	-34,624,821.14	15,618,397.09	16,737,966.59
3. Other equipment, office and office equipment	8,845,741.20	502,624.96	-166,463.89	0.00	25,709.92	9,207,612.19	-6,711,937.07	-565,129.65	160,964.93	-20,227.26	-7,136,329.04	2,071,283.15	2,133,804.14
4. Advance payments made and Assets under construction	3,765,291.13	2,272,509.50	-749,088.66	-150,299.97	64,442.41	5,202,854.42	0.00	0.00	0.00	0.00	0.00	5,202,854.42	3,765,291.13
	64,686,799.90	4,705,037.69	-2,454,994.97	0.00	469,214.12	67,406,056.75	-41,195,155.48	-3,849,551.64	1,670,763.66	-203,448.86	-43,577,392.32	23,828,664.43	23,491,644.42
IV Financial assets													
2. Investments	25,500.00	0.00	0.00	0.00	0.00	25,500.00	0.00	0.00	0.00	0.00	0.00	25,500.00	25,500.00
4. Other loans	317,894.81	9,619.48	0.00	0.00	4,563.76	324,089.08	0.00	0.00	0.00	0.00	0.00	324,089.08	317,894.81
	343,394.81	9,619.48	0.00	0.00	4,563.76	349,589.08	0.00	0.00	0.00	0.00	0.00	349,589.08	343,394.81
V. Investment property													
1. Land	1,164,747.04	52,424.22	0.00	0.00	0.00	1,217,171.26	-294,410.29	-65,911.26	0.00	0.00	-360,321.55	856,849.71	870,336.75
2. Buildings	480,452.58	0.00	0.00	0.00	0.00	480,452.58	-409,307.48	-26,351.22	0.00	0.00	-435,658.70	44,793.88	71,145.10
	1,645,199.62	52,424.22	0.00	0.00	0.00	1,697,623.84	-703,717.77	-92,262.48	0.00	0.00	-795,980.25	901,643.59	941,481.85
	93,689,407.68	5,958,912.82	-2,570,205.27	0.00	499,104.01	97,569,230.27	-51,444,059.60	-5,578,922.00	1,785,973.69	-225,286.04	-55,462,293.95	42,106,936.32	42,245,348.07

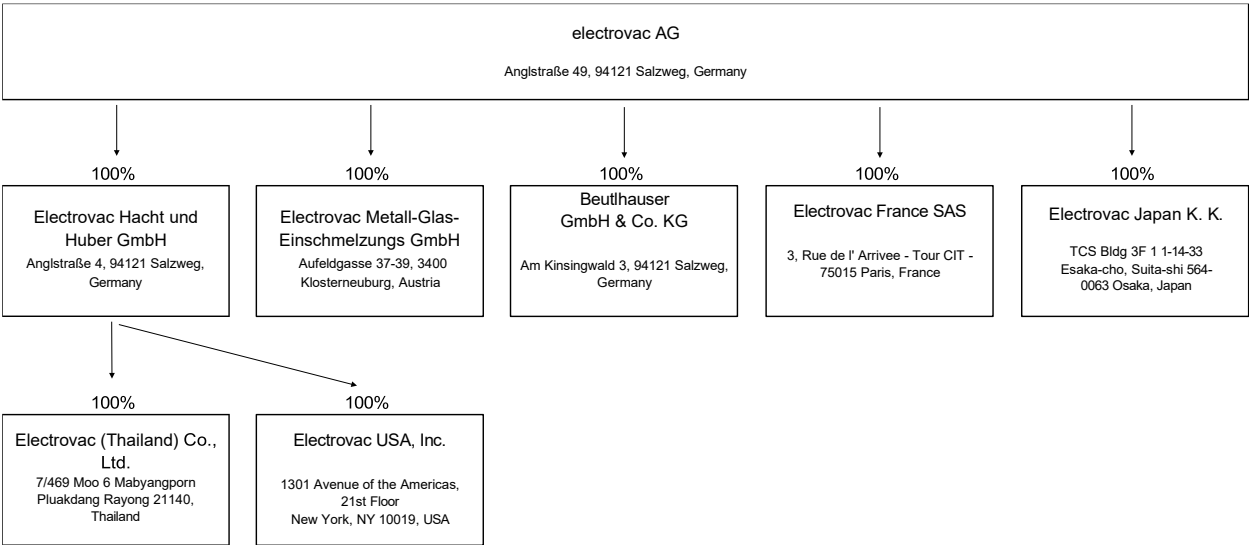
Consolidated fixed asset schedule	Acquisition and production costs					Depreciation					Carrying amount		
	Balance as at					Balance as at	Balance as at			Balance as at		Status on	Status on
	1 April 2023 kEUR	Additions kEUR	Disposals kEUR	Transfers kEUR	Currency items kEUR	31 March 2024 kEUR	1 April 2023 kEUR	Additions kEUR	Disposals kEUR	Currency items kEUR	31 March 2024 kEUR	31 March 2024 kEUR	31 March 2023 kEUR
A. Fixed assets													
I. Intangible assets													
1. Concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets	5,424,563.68	221,585.50	-35,645.02	0.00	-712.13	5,609,792.04	-2,381,849.39	-354,560.38	15,783.71	628.72	-2,719,997.34	2,889,794.69	3,042,714.29
2. Goodwill	7,734,766.16	0.00	0.00	0.00	0.00	7,734,766.16	0.00	0.00	0.00	0.00	0.00	7,734,766.16	7,734,766.16
	13,159,329.84	221,585.50	-35,645.02	0.00	-712.13	13,344,558.20	-2,381,849.39	-354,560.38	15,783.71	628.72	-2,719,997.34	10,624,560.85	10,777,480.45
II. Rights of use													
1. Superstructure	3,021,518.33	307,553.17	0.00	0.00	0.00	3,329,071.50	-663,952.14	-177,674.62	0.00	0.00	-841,626.76	2,487,444.74	2,357,566.19
2. Land and buildings	7,594,723.13	0.00	0.00	0.00	-15,828.69	7,578,894.44	-3,635,141.51	-563,043.54	0.00	12,819.05	-4,185,366.01	3,393,528.43	3,959,581.62
3. Other leased assets	2,169,534.68	650,894.82	-56,028.97	0.00	-2,911.32	2,761,489.21	-1,377,377.39	-479,267.82	56,028.97	2,419.99	-1,798,196.24	963,292.97	792,157.30
	12,785,776.14	958,447.99	-56,028.97	0.00	-18,740.01	13,669,455.15	-5,676,471.03	-1,219,985.98	56,028.97	15,239.04	-6,825,189.00	6,844,266.14	7,109,305.11
III Property, plant and equipment													
1. Land, land rights and buildings, including buildings on third-party land	2,460,632.21	66,154.65	0.00	0.00	-17,616.58	2,509,170.29	-1,511,940.96	-147,688.61	0.00	5,041.83	-1,654,587.73	854,582.56	948,691.25
2. Technical equipment and machinery	47,467,245.18	1,818,456.35	-91,041.06	666,806.56	-294,869.75	49,566,597.28	-30,605,069.06	-2,418,231.63	61,955.00	132,715.01	-32,828,630.68	16,737,966.59	16,862,176.12
3. Other equipment, operating and office equipment	8,626,316.57	269,516.12	-29,581.00	0.00	-20,510.48	8,845,741.20	-6,199,882.58	-556,661.63	29,417.20	15,189.94	-6,711,937.07	2,133,804.14	2,426,433.99
4. Advance payments made and Assets under construction	2,585,920.75	2,153,220.35	-292,226.19	-666,806.56	-14,817.22	3,765,291.13	0.00	0.00	0.00	0.00	0.00	3,765,291.13	2,585,920.75
	61,140,114.71	4,307,347.47	-412,848.25	0.00	-347,814.03	64,686,799.90	-38,316,892.60	-3,122,581.87	91,372.20	152,946.78	-41,195,155.48	23,491,644.42	22,823,222.11
IV Financial assets													
2. Investments	25,500	0.00	0.00	0.00	0.00	25,500.00	0.00	0.00	0.00	0.00	0.00	25,500.00	25,500.00
4. Other loans	183,292.10	138,272.54	0.00	0.00	-3,669.82	317,894.81	0.00	0.00	0.00	0.00	0.00	317,894.81	183,292.10
	208,792.10	138,272.54	0.00	0.00	-3,669.82	343,394.81	0.00	0.00	0.00	0.00	0.00	343,394.81	208,792.10
V. Investment property													
1. Land	1,057,136.64	107,610.40	0.00	0.00	0.00	1,164,747.04	-232,243.35	-62,166.94	0.00	0.00	-294,410.29	870,336.75	824,893.29
2. Buildings	480,452.58	0.00	0.00	0.00	0.00	480,452.58	-382,956.26	-26,351.22	0.00	0.00	-409,307.48	71,145.10	97,496.32
	1,537,589.22	107,610.40	0.00	0.00	0.00	1,645,199.62	-615,199.61	-88,518.16	0.00	0.00	-703,717.77	941,481.85	922,389.61
	88,831,602.01	5,733,263.90	-504,522.24	0.00	-370,935.99	93,689,407.68	-46,990,412.63	-4,785,646.39	163,184.88	168,814.54	-51,444,059.60	42,245,348.08	41,841,189.38

Group management report for the 2024/2025 financial year

A Basis of the Group

The Electrovac Group is a medium-sized group of companies specialising in the development and manufacture of hermetic enclosures using glass-to-metal sealing technology for a wide range of applications in the fields of electronics, sensor technology and actuator technology. The Electrovac Group's products are used in the automotive industry and in many other sectors, such as aerospace.

The Electrovac Group's scope of consolidation includes the following companies:



The manufactured products, most of which are customised, include sockets for airbag igniters, housings for electronic circuits, housings for lithium batteries, and sensor sockets and housings. The products are sold worldwide, with the main sales areas being Europe, Asia and the USA. The largest market segment, currently accounting for around 63% of sales, is the automotive industry.

The Electrovac Group is highly vertically integrated in its manufacturing, meaning that many of the components required for the production of hermetic housings are manufactured within the group. These include stamped parts, glass pills and contact pins. Raw materials such as glass, metal strips and other components required for production are purchased from suppliers worldwide.

The Electrovac Group develops new products mostly in collaboration with its customers. This involves, for example, developing and testing new designs or manufacturing processes and bringing them to series production readiness. Another focus is the development of new machines used to manufacture the products.

B Economic report

1. Macroeconomic conditions

According to the European Commission's latest spring forecast, economic growth of 1.1% is expected in the EU for 2025; in 2024, growth was 1.0%. In 2026, economic output will then rise by 1.5%. Moderate growth is being dampened by uncertainties regarding US trade policy and the specific effects of customs policy. According to the forecast, inflation in the EU will continue to fall gradually: to 2.3% in 2025 and 1.9% in 2026.

According to the World Bank, global economic output will rise by 2.3% in 2025 compared with the previous year, with +1.4% expected for the US, +4.5% for China and +0.7% for the euro area. The IMF's forecast for global GDP growth in 2025 is more positive at +3.0%.

The passenger car market is particularly important for the Electrovac Group. According to the German Association of the Automotive Industry (VDA), a total of 79.8 million passenger cars were produced worldwide in 2024, almost exactly the same as in the previous year. China, the world's largest producer, recorded growth of 5% compared to the previous year; Germany produced at the same level as the previous year, in line with the global trend. A slight increase in the number of passenger cars produced is expected in 2025. According to S&P Global, the growth rate will be 1.7%.

Sources: European Commission, World Bank, International Monetary Fund, German Association of the Automotive Industry, S&P Global

2. Business performance

In the 2024/2025 financial year, the Electrovac Group generated sales of EUR 98.2 million. The forecast for the 2024/2025 financial year of EUR 93.9 million was thus exceeded (4.6%).

Business performance in the Automotive division was 6.5% above plan, while the Special Applications division achieved a positive deviation from plan of 3.1%. The deviation in sales is due to both increased volume call-offs and price differences.

Cumulative order intake in the 2024/2025 financial year is around 117% of sales achieved. This includes customer orders related to the expansion of production at the Thai plant.

The Executive Board is satisfied with the course of business in the past financial year.

3. Earnings situation

Revenue increased by 12.0% compared to the previous year. Revenue development in the 2024/2025 financial year was characterised by consistently strong quarters, although the last quarter stands out with average monthly revenue of EUR 9.0 million.

Compared to the previous year, personnel costs (including temporary staff) increased by 3.3%. Collective agreements explain this increase. Material costs in relation to operating performance (sales plus/minus change in inventories and capitalised own work) remained at around the previous year's level (40.2%) at 40.5%. Operating performance itself rose by 14.5%.

In the 2024/2025 financial year, the Electrovac Group generated gross profit of EUR 17.9 million (previous year: EUR 12.1 million). After deducting expenses for sales, administration and research and development and adding other operating income/deducting other operating expenses, the operating result amounts to EUR 9.1 million. This means that the operating result is significantly higher than in the previous year (EUR 4.4 million). The significant improvement in operating profit is due to the increase in operating performance, primarily as a result of higher sales, accompanied by proportionally stable material costs and a less pronounced increase in personnel and structural costs.

The EBIT margin of approximately 6.3% forecast in the previous year for the past financial year was exceeded, with the actual figure coming in at 9.3%. The operating result (EBIT) of EUR 5.9 million forecast in the previous year was also exceeded; EBIT as at 31 March 2025 amounted to EUR 9.1 million.

Profit before tax amounted to EUR 7.2 million (previous year: EUR 2.5 million). In addition to the improved operating result, slightly lower financing expenses (-3.4%) explain the difference compared to the previous year.

4. Financial position

The Electrovac Group's financial position is stable. Our financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment terms.

Equity amounts to EUR 44.6 million. The equity ratio as at 31 March 2025 is 51.1% (previous year: 49.0%). The increase is mainly due to retained earnings and only a slight increase in borrowed capital. Liabilities to banks amount to EUR 15.1 million (previous year: EUR 15.2 million), accounting for 17.3% of total assets as at the balance sheet date of 31 March 2025. Lease liabilities amount to EUR 10.2 million (previous year: EUR 10.5 million). Leasing and financial liabilities account for a total of 29.0% of the balance sheet total.

Of the liabilities to banks, EUR 9.7 million are current liabilities and EUR 5.3 million are non-current liabilities.

Due to the improved result, income tax liabilities and personnel liabilities, which are reported under other current liabilities, have increased compared to the previous year.

As at the balance sheet date of 31 March 2025, the Electrovac Group had cash and cash equivalents of EUR 1.6 million and unused overdraft facilities of EUR 5.9 million. Of the cash and cash equivalents, 40% is in USD, 38% in EUR, 14% in Japanese yen and 8% in Thai baht. The total available overdraft facilities of EUR 11.5 million are entirely in euros.

The Electrovac Group's planned investments of EUR 5.6 million in the 2025/2026 financial year will be covered by operating cash flow, the utilisation of overdraft facilities and long-term loans.

Please refer to the notes to the consolidated financial statements for information on covenants to be fulfilled.

5. Financial position

As at the balance sheet date of 31 March 2025, the consolidated balance sheet total of electrovac AG, Salzweg, was EUR 87.2 million, up on the previous year's level (EUR 80.6 million). The increase is mainly due to the build-up of current assets (EUR 6.8 million). The expansion of business necessitates an increase in capital tied up in inventories.

Property, plant and equipment are reported at EUR 23.8 million, representing 27.3% of total assets. Investments were mainly made in replacements and expansions in the production areas of the manufacturing companies.

Intangible assets (totalling EUR 10.5 million) consist of software licences and trademark and patent rights amounting to EUR 2.8 million and goodwill amounting to EUR 7.7 million.

Furthermore, there are non-current assets in the form of rights of use amounting to EUR 6.5 million and investment properties amounting to EUR 0.9 million.

Current assets are reported at EUR 45.0 million, which is 51.6% of the balance sheet total. Of this amount, EUR 31.5 million is attributable to inventories and EUR 8.5 million to trade receivables. In the previous year, current assets amounted to EUR 38.2 million, of which EUR 26.6 million was attributable to inventories.

Cash and cash equivalents of EUR 1.6 million, available overdraft facilities of EUR 5.6 million and financing through factoring/forfeiting guarantee that all payment obligations can be met.

6. Financial and non-financial performance indicators

The management of the Electrovac Group is kept up to date on business developments throughout the year on the basis of comprehensive controlling and reporting systems. For our internal corporate management, we use not only the most important performance indicators (i.e. sales and EBIT) but also other key figures (e.g. order intake, order backlog, number of bids submitted, share of sales with new products, reject rates, process throughput times, etc.) that provide us with information about the current state of the company. The current situation of the company is discussed with the managing directors and division managers of the Group companies at regular management meetings. The controlling instruments enable management to react to developments at an early stage and initiate appropriate control measures.

Another important performance indicator is staff turnover, which is very low at 1.4% in the 2024/2025 financial year at the main plant Electrovac Hacht & Huber GmbH, for example. Appropriate processes have been introduced for sustainable resource management, some of which have also been externally certified (e.g. environmental certification according to DIN ISO 14001 at Hacht & Huber GmbH).

7. Forecasts, anticipated risks, company development and opportunities

Our opportunity and risk management aims to secure and increase the corporate value of the Electrovac Group in the long term. Our corporate objectives include the early and successful recognition of opportunities and the identification and appropriate assessment of risks. The analysis and assessment of the Group's opportunities and risks is the subject of ongoing consideration by the Executive Board and the Group's management.

7.1 Forecast

Planning for the financial year from 1 April 2025 to 31 March 2026 was based on fixed orders, framework agreements and delivery forecasts discussed with customers. Consolidated sales are expected to increase by around +9.4% to EUR 107.5 million, largely due to business expansion.

The assumptions for an average euro to US dollar exchange rate are 1.05. No additional regulatory measures are expected. The potential impact of US tariff policy is being continuously assessed and does not currently have a significant impact on the Group. The existing locations will remain in place and form the basis for the assumptions in the plan for the 2025/2026 financial year. Investments are distributed across all production sites according to their size. In addition to replacement investments, the focus is on investments to expand capacity.

For the 2025/2026 financial year, the Electrovac Group expects EBIT of EUR 8.6 million. In line with the forecast increase in revenue, cost increases are also budgeted. The ratio of cost of sales to revenue is projected to rise by 1.8 percentage points, and indirect costs are expected to increase by 11%.

We expect to be able to maintain staff turnover at the low level of previous years in the coming years. We plan to continue our sustainable resource management.

7.2 Risk report

Risks are classified into risk classes A to C based on their probability of occurrence and impact. Class A risks are risks that could jeopardise the Group's existence. Identified Class B risks could have a lasting negative impact on the Group's development. Other risks were classified as Class C risks.

The following A risks were identified: The Electrovac Group is dependent on the general economic environment. A slump in the global economy due to financial crises, political crises, armed conflicts or health crises may have a significant impact on the planned forecasts for sales or earnings (see sections 1 and 7.1). With the automotive sector accounting for around 63% of its business, the Electrovac Group is heavily dependent on the number of passenger cars produced each year.

The collapse or loss of sales of one of the top customers and a double-digit percentage drop in the number of passenger cars produced were assessed as B risks. Other risks in this class include the loss of a major supplier, possible punitive tariffs, and the failure of key production facilities or IT systems due to cyber attacks.

The loss of key employees, project delays in new product launches, currency risks and price fluctuations on the raw materials markets were identified as C risks. The emergence of new competitors in Asia is also considered a C risk.

Appropriate measures are in place for all identified risks. With regard to A risks and their consequences (e.g. energy crisis, inflation), risk management has proven very effective in recent financial years. For example, there were no production losses during the coronavirus pandemic and the financial situation remained very stable at all times. An appropriate response was also made to the consequences of the war in Ukraine. Electricity is currently being procured via the spot market; optional conversion into commodity futures packages is possible. Natural gas is not required for production.

The Group is participating in the transformation of the automotive sector with its products. A decline in sales of housings for automatic transmission control electronics is budgeted for and will be offset within the Group by rising sales in other product groups. The product group, housings for airbag igniters, is not affected by the changes in the powertrain (e-mobility, hybrid technology), but on the contrary benefits from higher safety requirements of customers and additional applications such as pyrotechnic separators.

With regard to B risks: The loss of a top customer or main supplier would lead to short-term losses in revenue if it occurred. To minimise this risk, we continuously strive to acquire new customers and avoid dependence on a small number of suppliers. We therefore assume that we will be able to compensate for any such loss in the medium term by acquiring new customers and

alternative suppliers. IT systems run in external data centres.

We attempt to assess risks classified as C risks on an ongoing basis by constantly monitoring and evaluating the market situation, and to minimise these risks or compensate for them quickly by taking appropriate active countermeasures. Employee turnover is very low within the Electrovac Group. Market price risks are partially reduced by hedging. For example, price fluctuations on the raw materials market are partially cushioned by variable sales pricing, and interest rate risks are hedged using derivatives. The current high volatility of raw material prices (precious and industrial metals) represents an increased market price risk for the Electrovac Group (see "G Risk management for financial risks" in the notes to the consolidated financial statements). Further measures to avoid financial risks are described in the section "G Risk management for financial risks" (financial instruments in accordance with IFRS 7).

The Executive Board of the Electrovac Group believes that the measures taken have prepared the company well for the occurrence of risks.

7.3 Opportunities report

The opportunities and risks of the Electrovac Group are closely linked. Opportunities are understood to be possible future developments or events that are either already incorporated into the plans or could lead to a positive deviation from the plans.

The Electrovac Group's opportunities also lie in expanding its market share for airbag igniter housings. Overall, we expect average annual sales growth of around 20% in this area over the next three years. This increase reflects the planned expansion of production through investments that have already been made.

The plant in Thailand also opens up opportunities for labour-intensive products that are difficult to automate.

Further innovations in the aerospace and defence sectors as well as in sensor technology are creating opportunities to expand the product range.

7.4 Overall statement

Against the backdrop of our financial stability and a highly experienced and capable management team, we consider ourselves well equipped to tackle the tasks ahead. There are currently no identifiable risks that could jeopardise the continued existence of the Group. Taking advantage of the opportunities that arise will result in corresponding organic growth in the medium term.

8. Other information

8.1 Research and development

The Electrovac Group develops new products, mostly in collaboration with its customers. This involves, for example, developing and testing new designs or manufacturing processes and bringing them to series production readiness. Another focus is the development of new manufacturing equipment used to manufacture the products. A development team of around 19 employees is available for this purpose, which also outsources projects or sub-projects. In the past financial year, development activities focused primarily on the areas of specialities and sensor technology, in which work was carried out on several projects.

8.2 Branch office report

The Electrovac Group has its headquarters in Salzweg. In addition to the parent company electrovac AG as the holding company, Electrovac Hacht und Huber GmbH and Beutlhauser GmbH & Co. KG are also based there as manufacturing units.

Another production site is located in Klosterneuburg, Austria, at Electrovac Metall- und Glaseinschmelzungs GmbH. Electrovac Thailand Co. Ltd. serves as both a production and distribution subsidiary in Thailand. Further distribution subsidiaries are located in France (Electrovac France SAS), Japan (Electrovac Japan) and the USA (Electrovac USA Inc.).

9. Risk reporting on the use of financial instruments

Investment loans from credit institutions are primarily used as long-term financial instruments. In the short term, the company is financed mainly through supplier credits, credit lines from various banks, operating cash flow and forfaiting. Market risks are partially hedged by derivative financial instruments. The primary objective of the company's financial and risk management is to protect the company's success against financial risks of any kind. To this end, all key figures are analysed on a monthly basis in management circles and appropriate measures are decided upon.

Overall, there were no unusual price change, default and liquidity risks or risks from cash flow fluctuations arising from the use of financial instruments in the reporting year.

Salzweg, 29 August 2025

electrovac AG

Executive Board

Dipl.-Ing. Dieter Thumfart

REPORT OF THE INDEPENDENT AUDITOR

To electrovac AG, Salzweg

AUDIT OPINIONS

We have audited the consolidated financial statements of electrovac AG, Salzweg, and its subsidiaries (the group), which comprise the consolidated balance sheet as of March 31, 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from April 1, 2024, to March 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In addition, we have audited the Group Management Report of electrovac AG for the fiscal year from April 1, 2024, to March 31, 2025.

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

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter “IFRS Accounting Standards”), as adopted by the EU, and with the supplementary German statutory provisions applicable pursuant to § 315e (1) 1 HGB, and, in compliance with these regulations, present a true and fair view of the Group’s net assets and financial position as of March 31, 2025, as well as its results of operations for the fiscal year from April 1, 2024, to March 31, 2025, and
- the accompanying Group Management Report presents a true and fair view of the Group’s financial position. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities and risks associated with future development.

In accordance with § 322 (3.1), of the German Commercial Code (HGB), we declare that our audit has not given rise to any objections regarding the correctness of the consolidated financial statements and the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under these regulations and standards are described in more detail in the section titled “THE AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT” of our auditor’s report. We are independent of the Group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the consolidated financial statements and the consolidated management report.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with IFRS as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to § 315e (1) of the German Commercial Code (HGB) in all material respects, and for ensuring that the consolidated financial statements, in compliance with these provisions, present a true and fair view of the Group's net assets, financial position, and results of operations. Furthermore, the legal representatives are responsible for the internal controls they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements resulting from fraudulent acts (i.e., accounting manipulation and financial losses) or errors.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters related to the Group's ability to continue as a going concern, if applicable. In addition, they are responsible for preparing the financial statements on a going concern basis, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

In addition, the legal representatives are responsible for preparing the Group management report, which as a whole provides a true and fair view of the Group's financial position and results of operations, is consistent in all material respects with the consolidated financial statements, complies with German statutory requirements, and accurately presents the opportunities and risks associated with future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) they deemed necessary to enable the preparation of a Group Management Report in accordance with applicable German legal requirements and to provide sufficient and appropriate evidence for the statements made in the Group Management Report.

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

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the Group management report as a whole presents a fair overview of the Group's financial position and results of operations, is consistent in all material respects with the consolidated financial statements and with the findings obtained during the audit, complies with German legal requirements, and accurately presents the opportunities and risks of future development, and to issue an audit report containing our opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high level of assurance, but no guarantee that an audit conducted in accordance with § 317 of the German Commercial Code (HGB), in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could reasonably be expected that, individually or in the aggregate, they

would influence the economic decisions of users made on the basis of these consolidated financial statements and the Group Management Report.

During the audit, we exercise due professional judgment and maintain a critical mindset. We also

- identify and assess the risks of material misstatements in the consolidated financial statements and the group management report arising from fraud or error, plan and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements resulting from fraud will not be detected is higher than the risk that material misstatements resulting from error will not be detected, as fraud may involve collusion, fabrications, intentional omissions, misrepresentations, or the circumvention of internal controls.
- obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the group management report, in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls or of these arrangements and measures.
- evaluate the appropriateness of the accounting methods applied by the legal representatives, as well as the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- conclude on the appropriateness of the going concern accounting policy applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the consolidated management report or, if such disclosures are inadequate, to modify our audit opinion accordingly. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Group being unable to continue as a going concern.
- evaluate the overall presentation, structure, and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying business transactions and events in such a way that, in accordance with the IFRS accounting standards as adopted by the EU, and the supplementary German legal provisions applicable pursuant to § 315e (1) of the German Commercial Code (HGB), present a true and fair view of the Group's net assets, financial position, and results of operations.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business segments within the group as a basis for forming our audit opinions on the consolidated financial statements and the group management report. We are responsible for directing, supervising, and reviewing the audit work performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- evaluate the consistency of the Group management report with the consolidated financial statements, its compliance with applicable laws, and the picture it conveys of the Group's financial position.
- perform audit procedures regarding the forward-looking statements presented by the legal representatives in the Group Management Report. Based on sufficient and appropriate audit evidence, we verify, in particular, the significant assumptions underlying the forward-

looking statements made by the legal representatives and assess whether the forward-looking statements have been appropriately derived from these assumptions. We do not express a separate audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant and unavoidable risk that future events may differ materially from the forward-looking statements.

We communicate with those responsible for oversight, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Munich, 16 September 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

Braunschläger
Auditor

Werner
Auditor

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A Consolidated statement of comprehensive income for the financial year 2023/2024

(in kEUR)	Note	01/04/2023 - 31/03/2024	01/04/2022 - 31/03/2023
Sales	1	87,616	85,249
Cost of sales	2	-75,488	-71,528
Gross profit		12,128	13,721
Selling expenses	3	-3,578	-3,859
Administrative expenses	4	-3,968	-4,126
Research and development expenses	5	-1,033	-957
Other operating expenses/income	7	864	948
EBIT		4,414	5,726
Interest income	8	27	1
Interest expenses	8	-1,986	-1,374
Net financial income		-1,959	-1,372
Profit before tax		2,455	4,354
Income taxes	9	-483	-948
Deferred taxes	9	-48	-174
Profit for the year		1,924	3,232
Other comprehensive income			
Reclassified to profit/loss at a later date			
Foreign operations currency-translation differences	20	-274	-36
Measured at fair value through other comprehensive income	17, 28	9	1
Not reclassified to profit or loss at a later date			
Actuarial gains/losses	23.1	-79	70
Taxes attributable to other comprehensive income	9	11	-7
Other comprehensive income after tax		-333	28
Consolidated comprehensive income		1,591	3,261
of which electrovac AG shareholders		1,591	3,261
of which non-controlling interests		0	0
Earnings per share (basic/diluted) in EUR	20	3.85	6.46
of which electrovac AG shareholders		3.85	6.46

B Consolidated balance sheet as at 31 March 2024

Balance sheet as at 31 March 2024

Assets

(in kEUR)	Note	31 March 2024	31 March 2023
Non-current assets			
Property, plant and equipment	10	23,492	22,823
Goodwill	12	7,735	7,735
Intangible assets	11	2,890	3,043
Rights of use	13	6,844	7,109
Financial assets	15	343	209
Investment properties	14	941	922
Deferred tax assets	9	178	974
		42,423	42,815
Current assets			
Inventories	16	26,578	26,866
Trade receivables	17	8,217	7,154
Other assets	18	2,223	2,598
Cash and Cash equivalents	19	1,202	1,278
		38,220	37,896
Total assets		80,643	80,711

Balance sheet as at 31 March 2024

Liabilities

(in kEUR)	Note	31 March 2024	31 March 2023
Equity			
Issued share capital	20	500	500
Capital reserve	20	29,015	29,015
Profit carried forward	20	-431	-99
Profit for the year	20	10,438	8,914
		39,522	38,330
Non-current liabilities			
Financial liabilities	22	6,219	6,776
Leasing liabilities	13	9,282	9,513
Liabilities for post-employment benefits	23	2,319	2,213
Deferred tax liabilities	9	551	1,327
		18,371	19,829
Current liabilities			
Financial liabilities	22	9,028	9,444
Leasing liabilities	13	1,249	1,219
Provisions	24	658	659
Trade payables	25	5,099	4,437
Tax liabilities	26	560	947
Other liabilities	27	6,156	5,846
		22,751	22,552
Total liabilities		80,643	80,711

Consolidated cash flow statement as at 31 March 2024

(in kEUR)

	Note	31 March 2024	31 March 2023
Cash flows from operating activities			
Consolidated net income		1,924	3,232
Depreciation on property, plant and equipment	10.11	4,786	4,601
Gain from the sale of fixed assets	7	-22	-1
Non-current provisions	23	27	-291
Financial result	8	1,959	1,372
Tax result	9	531	948
Income tax paid out	9	-803	-823
Other non-cash items	20	-268	-435
		8,134	8,603
Changes in net working capital			
Changes in inventories	16	288	-4,039
Changes in trade receivables	17	-1,063	1,374
Changes in other receivables & prepaid expenses	18	1,270	-592
Changes in trade payables	25	662	-176
Changes in other liabilities	27	166	1,078
Changes in current provisions	24.26	0	-30
Cash flow from changes in working capital		1,322	-2,385
Cash flow from operating activities		9,456	6,218
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment	10.11	-4,315	-5,856
Acquisition of financial assets	15	-1,030	-121
Proceeds from asset sales	10.11	341	411
Interest received	8	27	0
Cash flow from investing activities		-4,976	-5,565
Cash flows from financing activities			
Repayments from other non-current liabilities	22	-2,425	-2,282
Recognition of financial liabilities	22	3,780	3,644
Repayments of lease liabilities	13	-1,247	-1,028
Change in share capital and retained earnings	20		
Interest paid	8	-1,908	-1,343
Dividends paid	20	-427	
Cash flow from financing activities		-2,227	-1,009
Changes in cash and cash equivalents due to changes in the scope of consolidation			
Cash flow from expansion of the scope of consolidation		0	0
Net change		2,252	-35
Liquid funds at the beginning of the period	19	-5,325	-4,969
Liquid funds at the end of the period	19	-3,072	-5,325
Total changes of liquid funds		2,252	-355

D Consolidated statement of changes in equity

	Notes	Issued share capital	Reserves				Retained earnings	Consolidated equity Total
			Capital reserve	Profit reserve	Other reserves	Total		
		kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
As of 1 April 2022		500	29,015	0	-127	28,888	6,109	35,497
Capital increase from company funds (+/-)	20							
Cash capital increase (+)	20							
Costs of raising capital (-)	20							
Other (+/-)	20							
Dividend (-)	20						-427	-427
Effect of first-time application of IFRS 16 (+/-)	20							0
Total comprehensive income for the period (+/-)	20				28	28	3,232	3,261
As at 31 March 2023		500	29,015	0	-99	28,916	8,914	38,330
As of 1 April 2023		500	29,015	0	-99	28,916	8,914	38,330
Capital increase from company funds (+/-)	20							
Cash capital increase (+)	20							
Costs of raising capital (-)	20							
Other (+/-)	20							0
Dividend (-)	20						-400	-400
Total result for the period (+/-)	20				-333	-333	1,924	1,591
<i>of which currency translation</i>					-279	-279		
<i>of which insurance-related profit/loss</i>					-61	-61		
<i>of which from cash flow hedge</i>					6	6		
<i>of which receivables valuation</i>					1	1		
As at 31 March 2024		500	29,015	0	-431	28,584	10,438	39,522

E Notes to the consolidated financial statements

1. The reporting company

The Electrovac Group is an international technology group operating in the field of glass-to-metal feedthroughs, which are used as the basis for the development and manufacture of hermetic housings for electronic components. The company develops and manufactures large and small series parts for automotive applications and industrial applications. The products ensure the functionality of electronic components under difficult environmental conditions, such as high temperatures, high pressure, vacuum, oil or moisture.

With more than 70 years of outstanding development, material and technology expertise, Electrovac offers a broad portfolio of high-quality products and intelligent solutions. In cooperation with its customers, the company guarantees a high degree of professionalism and comprehensive know-how in the development of product solutions.

Electrovac is also very well positioned in the international market with several locations and highly automated production of large series products. This enables the company to offer its customers competitive prices. Based on its sophisticated manufacturing technologies, the company strategically strives for quality leadership.

The company relies on highly qualified and long-standing employees who support and implement the company's vision of developing high-volume products to high industrial standards and manufacturing them on automated production lines. Its status as the sole supplier to renowned customers is testament to its development and manufacturing expertise.

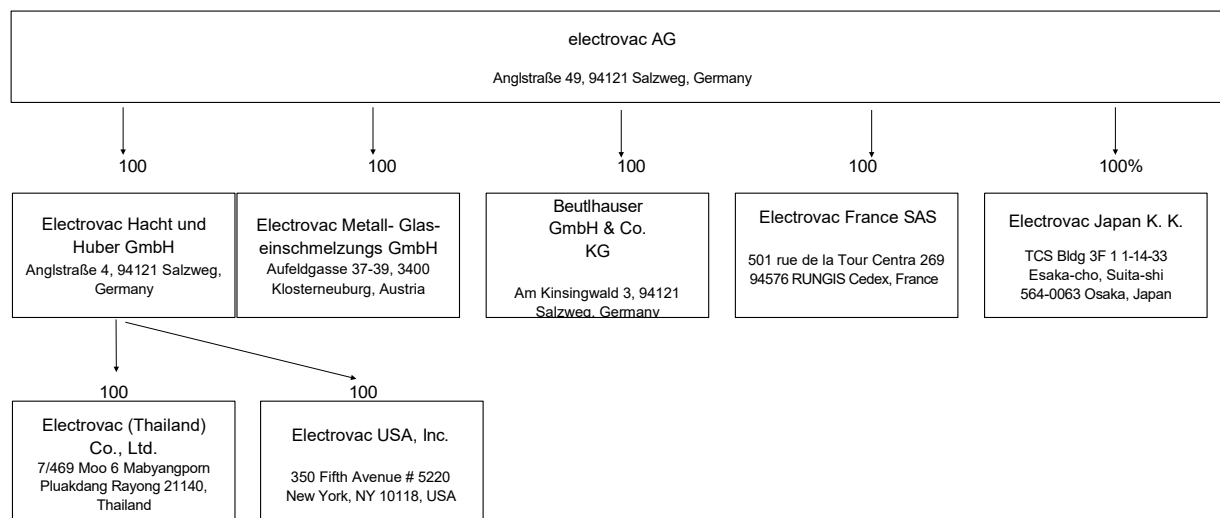
Glass bushings of all kinds, which are used as insulators in the automotive industry and in a wide variety of industrial applications, form the focus of the production and sales programme. They are produced by the subsidiaries Electrovac H&H (large-scale series production), Electrovac EMG (component, sample and small series production), Beuthauser KG (contact pins) and Electrovac TH (series production for the Asian market).

To support the Group's expansion strategy, the company has subsidiaries in the USA, Japan and France, which focus on the distribution of the Group's product portfolio in their respective target markets.

1.1 Consolidation scope and reporting date

All companies within the Group are fully consolidated. Beuthauser Verwaltungs GmbH (general partner of Beuthauser GmbH & Co. KG) is excluded from consolidation as it is not considered material.

The group structure is as follows:



The consolidated financial statements of electrovac AG for the financial year ending 31 March 2024 continue to include the following companies:

Name of company	Registered office	Share of capital	Initial consolidation date	Consolidation method
electrovac AG	Germany	Parent company	-	-
Electrovac Hacht und Huber GmbH	Germany	100%	31 March 2018	Revaluation method
Electrovac Thailand	Thailand	100%	31 March 2018	Revaluation method
Electrovac USA	USA	100%	31 March 2018	Revaluation method
Beuthauser GmbH & Co. KG	Germany	100%	31 March 2018	Revaluation method
Electrovac Metall-Glaseinschmelzungen GmbH	Austria	100%	31 March 2018	Revaluation method
Electrovac France	France	100%	31 March 2018	Revaluation method
Electrovac Japan	Japan	100%	31 March 2018	Revaluation method

1.2 Basis for preparing the financial statements

The consolidated financial statements of the Electrovac Group are prepared in accordance with Section 315e (3) in conjunction with (1) of the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS) as applicable in the EU. The consolidated financial statements are prepared in accordance with the regulations of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These consolidated financial statements, prepared in accordance with IFRS, release the Group from the obligation to prepare consolidated financial statements in accordance with German commercial law.

The balance sheet date for all companies included in the consolidated financial statements is 31 March. The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation methods.

The consolidated financial statements are prepared on a going concern basis, which assumes that the Group is able to meet all its payment obligations.

Management is not aware of any significant uncertainties relating to events or conditions that raise substantial doubts about the Group's ability to continue as a going concern.

IFRS 1 was implemented in the course of the first-time application of IFRS as of 31 March 2018. Adjustments from the first-time conversion of the national financial statements were recognised in the capital reserve via the contribution values without affecting profit or loss. Consolidation-related effects on earnings, e.g. the elimination of intercompany profits on inventories, are presented in retained earnings/losses.

1.3 Foreign currency translation and functional presentation currency

Foreign currency transactions during the year are translated at the exchange rate on the date of the transaction. Gains and losses arising from such transactions and translation differences from the measurement of monetary assets and liabilities at the reporting date (subsequent measurement) are recognised in the consolidated statement of comprehensive income.

For consolidation purposes, the annual financial statements of foreign companies are translated into euros using the functional currency concept. All companies operate their businesses independently in economic, financial and organisational terms in their respective local currencies. Assets and liabilities are recognised at the respective closing rate as at 31 March 2024. Equity is measured at the historical exchange rate at the time of initial consolidation. Expenses and income are calculated at the respective average exchange rate for the financial year.

Currency translation differences arising from the translation of the financial statements of foreign subsidiaries are recognised in other comprehensive income and reported in other reserves as currency translation adjustments in equity.

Unless otherwise stated, all financial information presented in euros has been rounded to the nearest thousand.

General exchange rates					
EUR per		<u>2024/25</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2023/24</u>
		<u>Year-end exchange rate</u>		<u>Annual average exchange rate</u>	
US dollar	USD	1.08	1.08	1.07	1.08
Thai baht	THB	36.71	39.41	37.25	38.25
Yen	YEN	161.6	163.45	163.50	157.74

1.4 Consolidation methods

Business combinations are accounted for using the purchase method (revaluation method) if the Group has obtained control. The acquisition costs of the investments are compared with the revalued equity of the respective individual company at the time of acquisition, which is derived from the measurement of the assets and liabilities at fair value. All hidden reserves and hidden liabilities of the acquired company are disclosed as part of the revaluation. Any positive difference resulting from capital consolidation is capitalised as goodwill and tested for impairment at least once a year. In accordance with IFRS 3, any negative difference resulting from capital consolidation is immediately recognised in profit or loss after re-examination.

The transaction costs of an equity transaction are recognised as a deduction from equity to the extent that they are additional costs directly attributable to the equity transaction that would otherwise have been avoided. The costs of a discontinued equity transaction are recognised as an expense.

All intra-group transactions, balances and unrealised gains from transactions within the Group are eliminated unless they are immaterial. Unrealised losses from transactions within the Group are eliminated unless these losses can no longer be covered. The effects of income tax are taken into account in the consolidation process and deferred taxes are deducted.

1.5 Use of judgement and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The areas with significant identified judgements, assumptions and estimation uncertainties, as well as the explanatory notes, are listed below.

A. Discretionary decisions

- Low-value leases (13.2)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that could give rise to a significant risk that a material adjustment to the carrying amounts of assets and liabilities will be required within the financial year ending 31 March 2025 is provided for the following items:

- Subsequent measurement of property, plant and equipment and intangible assets (10, 11)
- Measurement of financial instruments (28)
- Measurement of provisions for warranties and provisions for contingent losses (24)
- Valuation of long-term personnel provisions (23)
- Valuation of leases (13)
- Goodwill (12)
- Investment properties (14)

Fair value measurements

A number of the Group's accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities.

Fair value is the price at which an asset would be sold or a liability transferred on the measurement date in an orderly transaction on the principal market or, if none exists, on the most advantageous market to which the Group has access at that time. The fair value of a liability reflects the risk of default.

Management performs regular checks to determine fair values. This includes monitoring all significant fair value measurements, including Level 3 fair values. Significant unobservable input factors and valuation adjustments are reviewed regularly.

Where available, the Group determines the fair value of an asset or liability based on quoted prices in an active market. A market is considered active if transactions for the respective asset or liability take place with sufficient frequency and volume so that price information is continuously available.

If no quoted prices exist on an active market, the Group uses valuation techniques that maximise the use of relevant observable input factors and minimise the use of unobservable input factors. The valuation technique used takes into account all factors that market participants would consider when pricing such a transaction.

Based on the input factors used in the valuation techniques, fair values are classified into different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Valuation parameters that are not quoted prices included in Level 1 but are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derivatives of prices)
- Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

Information on the assumptions used in determining fair values is provided in notes 14 and 28.

2. Accounting and valuation methods

2.1 Revenue and other operating income

Sale of goods and provision of services in the ordinary course of business

Revenue is recognised in accordance with the five-step model (IFRS 15). Prerequisites include identifiable customer contracts and a determinable amount of consideration. The timing of recognition is linked to the fulfilment of the performance obligation, i.e. the transfer of an asset or the provision of a service. An asset is transferred as soon as the customer obtains control of the asset. Revenue is recognised net of returns, discounts and volume rebates. The delivery agreements concluded with customers vary depending on the region and industry. Consignment warehouse agreements have been concluded with some larger customers.

The companies provide services in the form of contract manufacturing for customers, among other things. Revenue from services is recognised in proportion to the stage of completion at the reporting date (period-related). The stage of completion is determined by assessing the work performed.

Rental income

Rental income from investment property is recognised as other income on a straight-line basis over the term of the lease. As these are leases in which the Electrovac Group acts as the lessor, they are recognised in accordance with IFRS 15.5a under IFRS 16 Leases.

Sample deliveries

The Electrovac Group regularly receives enquiries for new projects from existing and new customers. Feasibility plans are then drawn up in collaboration with the customer during the development phase and, if the order is placed, sample parts are manufactured, which are subsequently invoiced to the customer as product sales. Any agreed development costs are also invoiced together with the sample parts. Once the customer has given their approval, the parts go into series production.

In these cases, too, the goods are independently identifiable. Upon delivery of the goods/samples to the customer, the amount becomes due immediately and is paid by the customer after the due date. No significant financing components are included. The period between the provision of services and payment by the customer is a maximum of 90 days. Such business transactions are therefore recognised as receivables and not as active contract items.

2.2 Employee benefits

Short-term benefits

Obligations arising from short-term employee benefits are recognised as expenses as soon as the associated work is performed. A liability is recognised for the expected amount payable if, at the balance sheet date, the Group has a legal or constructive obligation to pay the amount based on work performed by the employee and the obligation can be reliably determined.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the future benefits that employees have earned in exchange for work performed in the current period and in previous periods. These benefits are discounted to determine their present value. Revaluations are recognised in profit or loss in the period in which they arise.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense as soon as the related work is performed. Prepaid contributions are recognised as an asset to the extent that there is a right to a refund or reduction in future payments.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned in the current period and in previous periods. This amount is discounted.

The calculation of defined benefit obligations is performed annually by a recognised actuary using the projected unit credit method. For each obligation, the present value of the entitlements acquired up to the calculation date is determined in accordance with generally accepted actuarial principles, taking into account future increases in benefits (defined benefit obligations) as well as current service cost and interest cost. This takes into account retirement due to reaching retirement age, occupational disability or death, as well as any survivor's benefits.

Revaluations of the net liability from defined benefit plans are recognised directly in other comprehensive income. The remeasurement includes actuarial gains and losses. The Group determines the net interest expense (income) on the net liability (asset) from defined benefit plans for the reporting period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period. This discount rate is applied to the net liability (asset) from defined benefit plans at that date. Any changes in the net liability (asset) from defined benefit plans resulting from contributions and benefit payments during the reporting period are taken into account. Net interest expense and other expenses for defined benefit plans are recognised in profit or loss.

If the benefits of a plan are changed, the resulting change in the benefit relating to the service period to be recalculated is recognised in profit or loss. The Group recognises gains and losses from the settlement of a defined benefit plan at the time of settlement.

2.3 Financial income and financial expenses

The Group's financial income and financial expenses comprise interest expenses from bank and lease liabilities, interest portions from non-current personnel provisions, unused supplier discounts and interest income from loans granted.

Interest income and interest expense are recognised in profit or loss using the effective interest method.

2.4 Income taxes

Tax expense generally comprises current and deferred taxes. Current taxes and deferred taxes are recognised in profit or loss, except to the extent that they relate to a business combination or an item recognised directly in equity or other comprehensive income.

Actual taxes are the expected tax liability or tax asset on the taxable income or tax loss for the financial year, based on tax rates that are currently in force or will shortly come into force at the balance sheet date, as well as any adjustments to the tax liability for previous years. The amount of the expected tax liability or tax asset reflects the amount that represents the best estimate, taking into account tax uncertainties, if any. Actual tax liabilities also include all tax liabilities arising as a result of the declaration of dividends.

For an explanation of deferred taxes, please refer to 2.13 Deferred taxes.

2.5 Goodwill

Goodwill arises in business combinations and represents the excess of the consideration transferred for the business contribution over the fair value of the Group's share of the identifiable assets contributed, the liabilities assumed, the contingent liabilities and all non-controlling interests in the contributed business at the date of contribution. With a few exceptions (e.g. tax liabilities, pension obligations, share-based payments), assets, liabilities and contingent liabilities are measured at fair value.

Goodwill has an indefinite useful life and is therefore not amortised. At least once a year, an assessment is made to determine whether there are any indications of impairment. The carrying amount of goodwill is compared with the recoverable amount, i.e. the higher of the fair value less costs to sell and value in use. Any impairment loss is recognised immediately in profit or loss and is not reversed in subsequent periods.

The Group determines the goodwill allocated to the contributed companies using valuation methods based on discounted cash flows. These discounted cash flows are determined for a three-year period. The cash flows derived from planning are used as a basis for the immediate future. Cash flows are planned on the basis of forecasts of sales, income and expenses based on planned profit and loss statements for each year of the period under review.

For the three-year period, the Electrovac Hacht und Huber GmbH, Salzweg subgroup, to which a recognised goodwill is allocated, is expected to achieve average annual revenue growth of 4.7%. For the following two years and for the terminal value, an EBIT and cash flow growth rate of 2% p.a. is assumed. The discounted cash flows are calculated using a risk-adjusted interest rate of 8.4%. These assumptions and the underlying methodology can have a significant impact on the respective values and ultimately on the amount of any impairment of goodwill.

For the three-year period, Beutlhauser GmbH & Co. KG, Salzweg, which has recognised goodwill, is expected to achieve average annual revenue growth of 4.8%. A two per cent EBIT or cash flow growth rate p.a. is assumed for the following two years and for the terminal value. The projected net cash flows are discounted using a risk-adjusted interest rate of 8.3%. These assumptions and the underlying methodology can have a significant impact on the respective values and ultimately on the amount of any impairment of goodwill.

More detailed information on goodwill and impairment tests can be found in the notes under item 12.

2.6 Intangible assets

Acquired patents, trademark rights and software are recognised at their historical acquisition costs. Patents and trademark rights acquired as part of a business combination are measured at fair value on the acquisition date. They have specific useful lives and are measured at their acquisition costs, less accumulated amortisation and impairment losses.

Amortisation is calculated on a straight-line basis over the normal useful life of 10 to 15 years for patents and trademark rights and 3 to 5 years for software. In accordance with IAS 36, intangible assets for which there are indications of impairment and whose present values of future cash inflows are below their carrying amounts are written down to their value in use or fair value less costs to sell. Production units are generally considered to be cash-generating units. If the reasons for such an impairment no longer apply, corresponding write-ups are made up to the amortised cost.

Internally generated intangible assets were not capitalised as the criteria set out in IAS 38 were not met.

2.7 Property, plant and equipment

Property, plant and equipment are valued at acquisition or production cost, less straight-line depreciation and impairment losses. Acquisition costs include the purchase price of the asset, incidental acquisition costs and subsequent acquisition costs. Government grants are recognised using the net method and amortised over the useful life of the asset. In addition to direct costs, production costs also include an appropriate portion of material and manufacturing overheads. General administrative and selling expenses are not capitalised, nor are borrowing costs that cannot be directly attributed to a qualifying asset. Subsequent acquisition or production costs are only recognised as part of the acquisition or production costs of an asset or as a separate asset if it is probable that the Group will derive future economic benefits from them and the costs of the asset can be reliably determined. Expenses for repairs and maintenance that do not constitute significant replacement investments are recognised as expenses in the consolidated statement of comprehensive income in the financial year in which they are incurred.

Scheduled depreciation is calculated on a straight-line basis using the following useful lives:

Fixed assets useful lives	Years
Plant and machinery	2 to 15
Operating and office equipment	1 to 25
Motor vehicles	10
Buildings	2 to 54

Land is not depreciated according to a schedule.

The useful lives are determined based on the intended use, physical wear and tear, and past experience.

The residual carrying amount and economic useful lives are reviewed at each balance sheet date and adjusted if necessary. Gains and losses from disposals of property, plant and equipment are determined as the difference between the proceeds from disposal and the carrying amounts of the property, plant and equipment and are recognised under "Other income or expenses" in the statement of comprehensive income.

Land and buildings mainly comprise production, storage and office space. The majority of these are subject to lease agreements. Only Electrovac Metall - Glaseinschmelzungs GmbH, Klosterneuburg, owns real estate for its own use. Valuation is carried out in accordance with IAS 16 using the cost model.

2.8 Leasing

The accounting treatment of leases (IFRS 16) differs for lessees and lessors. While a risk and rewards concept is provided for lessors, lessees account for leases according to the right-of-use concept. This means that, with a few exceptions, lessees always capitalise the right to use the leased asset and correspondingly recognise a lease liability.

Leaseholder regulations are particularly important for the Group. The Group has leased buildings, land, gas equipment and motor vehicles. In accordance with IFRS 16, the exemptions for short-term leases and low-value leased assets are applied. In these cases, there is no direct recognition in the balance sheet; instead, the lease payments are recognised as operating expenses over the term of the lease. The low value of a leased asset is determined by a reference value of EUR 8,000. The application of a possible portfolio approach is currently not being used.

For leases that are not short-term or low-value, the lease liability is first determined. In the course of this, an assessment is made, depending on the class of asset, as to whether non-lease components are included in the remuneration or not. The lease liability is determined using a present value calculation, taking into account a discount rate that represents the marginal cost of debt. The initial measurement of the corresponding right-of-use asset is based on the previously determined lease liability.

The subsequent measurement of lease liabilities is generally based on the effective interest method. This method allows the lease payment to be divided into an interest and a repayment component, taking into account time effects. The subsequent measurement of the right-of-use assets is carried out in accordance with the cost model, i.e. straight-line amortisation is applied over the term of the contract.

The term of the individual leases is determined by the contractually non-cancellable period and any extension and termination options. With regard to the exercise of options, a primarily qualitative assessment is required in each case.

Some of the Group's lease agreements involve variable payments linked to an index. In such cases, the respective lease liability and, subsequently, the right of use are revalued annually. However, the right of use is only adjusted by the difference resulting from the revaluation of the liability.

Lease liabilities and rights of use are presented separately from other assets or liabilities in the Group's balance sheet. However, this does not apply to investment property within the meaning of IAS 40. Leased assets of this type are also reported as such in the Group.

The Group acts as a lessor to a limited extent in connection with sublease agreements for properties. Based on an assessment of indicators, such subleases are classified as operating leases and lease payments are recognised as operating income in the income statement.

2.9 Borrowing costs

In accordance with the provisions of IAS 23, borrowing costs for the acquisition or production of a qualifying asset must be capitalised. This is also referred to as targeted borrowing.

A qualifying asset is characterised by the fact that a considerable period of time is required to bring it to its intended usable or saleable condition. A qualifying asset is usually recognised for periods of more than 12 months.

The Electrovac Group borrowed funds for this purpose, but no significant period of time was required to bring the asset to a usable or saleable condition. The assets were already in a usable condition at the time of acquisition.

No borrowing costs were capitalised.

2.10 Financial assets

Financial assets, which include loans granted (see IFRS 9) and the investment in the non-consolidated subsidiary (see IAS 27), are measured at amortised cost. An impairment test is performed at each balance sheet date to determine whether there is any objective evidence of impairment. Impairment losses are recognised in accordance with IAS 36.

2.11 Investment properties

The investment properties held are buildings and land in the municipality of Klosterneuburg, Austria, which are leased to third parties and not used for operational purposes. The buildings not used for operational purposes are measured at amortised cost (cost model) in accordance with IAS 40. Please refer to note 14.

2.12 Financial instruments

Financial instruments consist of financial assets (receivables, other assets, loans granted and cash and cash equivalents) and financial liabilities (financial liabilities, trade payables and other liabilities). They are

accounted for and measured in accordance with the provisions of IFRS 9 and its categories. IFRS 9 contains three basic categories for classifying financial assets: measured at amortised cost (AC), measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL). Financial assets are classified in accordance with IFRS 9 on the basis of the company's business model for managing financial assets and the nature of the contractual cash flows. Derivatives are measured at fair value through profit or loss unless they are designated as hedging instruments in hedge accounting.

The Group currently hedges proportionate interest rate risks using a swap. A hedge relationship has been designated (cash flow hedge). The fair value of the derivative is therefore recognised in equity without affecting profit or loss.

Detailed information on the accounting treatment of financial instruments can be found in note 28 of the explanatory notes.

Financial assets

Other financial receivables and loans are generally measured at amortised cost (AC). Trade receivables are measured at fair value through other comprehensive income (FVOCI) because they are allocated to the hold and sell business model due to forfaiting and factoring agreements. Receivables from derivative financial instruments are accounted for in accordance with cash flow hedge regulations (FVOCI).

Since the introduction of IFRS 9, an impairment loss must already be recognised for expected credit losses (ECL). Expected credit losses (ECL) are determined using a risk provision matrix. Credit losses are then recognised as risk provision expenses in profit or loss. Value adjustment ratios are based on past experience and forward-looking estimates. Cash and cash equivalents are recognised at cost.

The Group derecognises a financial asset when the contractual rights to the cash flows from an asset expire or when it transfers the rights to receive the cash flows in a transaction that also transfers all significant risks and rewards associated with ownership of the financial asset.

Financial liabilities

Financial liabilities are measured at amortised cost in the Group. These include, in particular, trade payables, liabilities to banks and other financial liabilities.

Financial liabilities are derecognised when the contractual obligations have been fulfilled, cancelled or have expired.

Financial assets and liabilities are offset and reported as a net amount in the balance sheet if the Group has a present, enforceable legal right to offset the recognised amounts and intends to either settle on a net basis or settle the related liability at the same time as realising the related asset.

Balance sheet date

The Group recognises loans and receivables and debt securities issued from the date on which they arise. All other financial assets and liabilities are recognised for the first time on the trade date when the company becomes a party to the contractual provisions of the instrument.

2.13 Deferred taxes

Deferred taxes are calculated in full using the liability method for temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS consolidated balance sheet in accordance with IAS 12.

Furthermore, the probable realisable tax benefit from existing unused tax loss carryforwards is included in the calculation if taxable profits will be available in the future and these can be utilised. Deferred tax assets are not recognised if it is not probable that the tax benefit contained therein will be realised. Future taxable profits are determined using temporary differences, which give rise to taxable amounts against which unused tax losses can also be utilised.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the associated tax benefit will be realised; write-ups are made if the probability of future taxable income improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it is probable that future taxable income will allow their realisation.

The tax rates that are valid or bindingly announced on the balance sheet date are used to determine deferred taxes.

	2023/24	2022/23
electrovac AG	27%	27%
Electrovac Hacht und Huber GmbH	27%	27%
Electrovac (Thailand) Co., Ltd.	20%	20%
Electrovac USA Inc.	21%	21%
Beuthhauser GmbH & Co. KG	11%	11%
Electrovac Metall-Glaseinschmelzungs GmbH	23%	23%
Electrovac France SAS	33%	33%
Electrovac Japan K.K.	24%	24%

The measurement of deferred taxes reflects the tax consequences that the Group expects to result from the manner in which it expects to recover the carrying amounts of its assets or settle its liabilities at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if the conditions for doing so are met.

Deferred taxes are not recognised for:

- temporary differences resulting from the initial recognition of goodwill
- temporary differences arising from the initial recognition of an asset or liability that does not arise from a business combination and does not affect either the commercial or tax result at the time of the transaction
- temporary differences associated with investments in subsidiaries, provided that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future

2.14 Inventories

Inventories are valued at the lower of cost and net realisable value. In the case of manufactured products, the cost of production includes an appropriate proportion of production overheads based on normal operating capacity. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated necessary selling expenses.

Raw materials and merchandise are valued at moving average prices. The production costs of unfinished and finished goods include all directly attributable costs and proportionate overheads, including depreciation based on normal capacity. Borrowing costs that cannot be allocated to a qualifying asset, as well as administrative and distribution costs, are not included in production costs. Storing and procurement costs are also included in the cost of goods manufactured. Appropriate deductions are made for inventory risks arising from storage periods or limited usability.

Inventories are written down by applying range discounts for materials whose turnover period (average consumption/average inventory) exceeds 12 months. The discounts amount to 75%; for a turnover period exceeding 24 months, they amount to 100%.

2.15 Trade receivables

Trade receivables are amounts due from goods sold or services rendered in the ordinary course of business. Trade receivables are classified as current if they are expected to be collected within one year. Otherwise, they are recognised as non-current receivables.

Trade receivables are initially recognised at fair value plus transaction costs and subsequently measured at fair value through profit or loss. Impairments are recognised in profit or loss. An allowance is made for expected credit losses (ECL) using the simplified approach in accordance with IFRS 9.

Receivables that are between 1 and 90 days past due (stage 2) are impaired using a combination of historical default rates and an adjustment for current and future expected developments in accordance with the following table.

Overdue in days	Historical default rate	Current and future expectations
None	0%	0.1%
1 to 29	0%	0.1%
30 to 59	0%	0.3%
60 to 90	0%	0.6%

The calculation of the value adjustment for overdue amounts > 90 days (level 3) is based on the following table.

Overdue in months	Value adjustment
> 3 months	20%
> 6 months	30%
> 12 months	50%

2.16 Acquisition of subsidiaries

Contributed subsidiaries are accounted for using the revaluation method. The acquisition costs correspond to the fair values of the assets transferred, the equity instruments issued and the liabilities incurred or assumed at the transaction date. Acquisition-related costs are recognised as expenses when incurred.

2.17 Financial liabilities

Financial liabilities are initially recognised in the balance sheet at fair value plus transaction costs. Subsequent measurement is at amortised cost. Any premium, discount or other amount between the disbursement and repayment amounts is distributed over the term using the effective interest method and recognised in the financial result.

2.18 Trade payables

Trade payables are recognised at fair value plus transaction costs and are due within one year. These liabilities are measured at amortised cost on subsequent measurement.

2.19 Provisions

A provision must be recognised if the Group has a legal or constructive obligation to third parties that arose in the past, is likely to be required to make a payment in the future, and the amount of this payment can be reliably estimated. Current provisions consist mainly of provisions for warranties and for anticipated losses from pending transactions.

Provisions for warranties are recognised in the balance sheet at the amount required to cover the cost of repairing or replacing products already sold whose warranty period has not yet expired. The calculation of provisions is based on past experience with regard to the

probability and amount of warranty claims expected in the future. The long-term portion of a warranty provision is formed for a claim period of more than one year.

Provisions for anticipated losses from pending transactions due to onerous contracts are recognised in cases where the expected income from a contract that has already been concluded is lower than the costs that are necessary in any case to fulfil the obligations under the contract. Before a provision is recognised, the Group recognises any impairment loss on the assets associated with the contract. The valuation is based on full cost.

Non-current personnel provisions consist mainly of provisions for severance payments, anniversary bonuses and partial retirement. As the time and interest effect is not insignificant for non-current provisions, the carrying amounts are recognised at their respective present values. Actuarial gains or losses resulting from the revaluation of defined benefit plans are recognised in other comprehensive income and accumulated in equity under other reserves.

2.20 Government grants

Government grants are only recognised if the Group will meet the associated conditions and the grants are actually awarded.

Grants that do not relate to assets (income-related) are recognised in the consolidated statement of comprehensive income in the period in which they arise, either separately or deducted from the corresponding expenses.

Grants for assets are deducted from the carrying amount of the corresponding asset.

3 Reporting in accordance with International Financial Reporting Standards (IFRS)

3.1 New standards and interpretations applied in the current financial year

The following changes will be made in the 2023/2024 financial year:

Standards / Interpretations	Content changes
IFRS 17	New standard on insurance contracts
Amendments to IAS 1	Disclosure of accounting and valuation methods
Amendments to IAS 12	Deferred taxes on the acquisition of an asset or liability (initial recognition exemption)
Amendments to IAS 8	Definition of accounting estimates
Amendments to IFRS 17	First-time application of IFRS 17 and IFRS 9
Amendments to IAS 12	International tax reform – Pillar Two Regulations

The new changes in accounting are taken into account, but have only an insignificant impact on the consolidated financial statements.

3.2 New standards and interpretations not applied in the current financial year

The following new or amended standards have already been published by the IASB but have not yet become mandatory or been adopted into European law.

Standards / Interpretations / Amendments	Date of publication	Date of adoption into EU law	Effective date (EU)
Amendments to IFRS 16: Lease liabilities in sale and lease-back transactions	22 September 22	20 Nov 23	1 Jan 24
Amendments to IAS 1: Classification of liabilities as current or non-current	23 Jan 20	19 Dec	1 January 24
Amendments to IAS 1: Non-current liabilities with covenants	31 Oct 22	19 Dec	1 January 24
Amendments to IAS 7 and IFRS 7: Supplier financing arrangements	25 May 23	15 May	1 January 24
Amendments to IAS 21: Lack of exchangeability a currency	15 August 23	-	1 January 25
Amendments to IFRS 7 and IFRS 9: Classification and measurement of financial instruments	30 May 24	-	1 January 26
IFRS 18: New standard for the presentation and disclosure of financial statements (replaces IAS 1)	9 April 23	-	1 January 27
IFRS 19: New standard for subsidiaries without public accountability	9 May 24	-	1 January 27

Various amendments to existing standards are to be applied for financial years beginning after 1 January 2024. However, the Group does not expect any of the changes to have a material impact on the net assets, financial position and results of operations in future consolidated financial statements.

The Group is not exercising any option for early application of the amendments. Adjustments will be reflected in the consolidated financial statements in which mandatory application takes effect for the first time.

F Notes to the consolidated financial statements

1. Sales

The sales reported in the consolidated statement of comprehensive income includes all sales resulting from the Electrovac Group's typical business activities. Sales are reported excluding VAT and any other taxes and duties.

Breakdown of sales by gross/net

	Financial years	
	2023/2024	2022/2023
Gross sales	87,660	85,339
Reductions in sales	-45	-91
Net sales	87,616	85,249

Compared to the previous year, gross sales increased by 2.7%. Sales reductions consist of cash discounts granted to customers and expenses for warranty provisions. They amount to approximately 0.1% of gross sales. The Group generates sales from contracts with customers from products that are transferred at a point in time.

Breakdown by organisation (in kEUR)

	Financial years	
	2023/2024	2022/2023
Electrovac H & H	52,907	50,181
Electrovac EMG	17,314	16,131
Electrovac TH	8,314	8,831
Electrovac JP	3,041	4,190
Beuthhauser KG	6,085	6,007
Total	87,660	85,339

Electrovac H&H and Electrovac EMG achieved moderate increases in sales of 5.4% and 7.3% respectively compared with the previous year. This increase is attributable to higher demand in the special applications segment at Electrovac EMG and increased call-offs in the automotive segment at Electrovac H&H.

With the exception of Electrovac JP, products manufactured at the respective production sites are also invoiced to our customers from there. Electrovac JP acts as an intermediary between customers in Japan and Thailand and the largest site, Electrovac H&H.

Breakdown by economic area (in kEUR)

	Financial years	
	2023/2024	2022/2023
Europe	55,733	53,005
United States	10,726	8,668
Asia / Far East	19,513	22,109
Other	1,689	1,558
Total	87,660	85,339

The Electrovac Group is primarily active in the export business and generates a large proportion of its sales in Europe and Asia/the Far East (85.8%). The increase in Europe and the USA reflects the product ramp-up at a major customer. Sales in Asia / Far East was determined by a market decline in the second and third quarters.

2. Cost of Sales

in kEUR	Financial years	
	2023/2024	2022/2023
Changes in inventories	-335	3,113
Capitalised own work	642	757
Material costs	-35,377	-36,241
Personnel costs for production	-23,527	-21,972
Other direct costs	-5,229	-5,471
Depreciation of production facilities	-3,007	-3,037
Overhead costs	-8,654	-8,677
Total cost of sales	-75,488	-71,528

Changes in inventories reflect changes in inventories of work in progress and finished goods. Positive values indicate an increase in inventories, while negative values indicate a decrease in inventories.

Capitalised own work is recognised in the course of capitalising self-manufactured machinery (at Electrovac H&H and Beuthauser KG) and tools (at Electrovac EMG).

Material costs in FY 2023/2024 amount to 40.4% of revenue (previous year: 42.5%). Changes in the material cost ratio are mainly due to fluctuating procurement prices for industrial metals (e.g. nickel, cobalt) and precious metals (e.g. palladium).

Personnel costs are primarily driven by the number of employees and temporary workers. The number of employees plus temporary workers (FTE) in the production areas of the individual Group companies is as follows:

Average per FY	Financial years	
	2023/2024	2022/2023
Electrovac H&H	213	222
Electrovac EMG	117	110
Electrovac TH	31	29
Beuthhauser KG	62	63
Total number of production employees	423	424

In addition, collective agreements have an impact on the level of personnel costs. In the 2023/2024 financial year, Electrovac H&H saw a wage increase of 5.5%, while Electrovac EMG saw an increase of 9.9%. In addition, wages at Beuthhauser KG rose by around 4.0% and in Thailand by around 3.3%.

Other direct manufacturing costs include expenses for manufacturing aids (e.g. oils, tools, chemicals), repairs, energy and other equipment, etc.

Proportionate overheads include costs for production support functions such as quality assurance, process engineering, production management, etc., as well as costs for the use of infrastructure (buildings, heating, waste disposal, etc.).

3. Selling expenses

in kEUR	Financial years	
	2023/2024	2022/2023
Sales personnel expenses	-1,842	-1,803
Freight & commissions	-618	-863
Other costs	-1,118	-1,193
Total selling expenses	-3,578	-3,859

The Electrovac Group maintains its own sales departments at its locations in Germany, Austria, France, Japan and the USA. In addition, there are contracts with industrial and commercial agencies.

The decline in costs in the 2023/2024 financial year is primarily due to lower transport costs compared to the previous year.

Other costs include expenses for travel, company vehicles, advertising, marketing, trade fairs, product liability insurance, etc.

4. Administrative expenses

in kEUR	Financial years	
	2023/2024	2022/2023
Personnel expenses Administration	-1,908	-1,898
Other costs	-2,060	-2,229
Total administrative costs	-3,968	-4,126

Other costs include expenses for travel, company cars, fees, membership fees, consulting, annual audit, various insurance policies, bank charges, general administration, etc.

5. Research and development expenses

in kEUR	Financial years	
	2023/2024	2022/2023
Personnel costs Development	-866	-809
Other direct costs	-167	-148
Total research and development costs	-1,033	-957

We maintain our own development departments at the Electrovac H&H and Electrovac EMG sites, whose main task is to develop customer enquiries to series production readiness.

Other costs include expenses for travel, patents, test materials, technical consulting, etc.

6. Employee benefits

The total personnel expenses or the benefits to the own employees are broken down as follows:

in kEUR	Financial years	
	2023/2024	2022/2023
Wages and salaries	-25,663	-23,272
Social security contributions	-5,392	-4,925
Defined contribution pension plans	-157	-142
Expenses for defined benefit plans and other long-term benefits	-5	-180
Other voluntary social benefits	-243	-232
Total employee benefits	-31,460	-28,751
Expenses for temporary workers	-741	-1,413
Total personnel expenses	-32,201	-30,164

The number of employees and the annual wage increase described in point 2 are key factors influencing the amount of personnel expenses.

The number of all employees, including temporary workers, is as follows:

Full-time equivalents including temporary staff Average per financial year	Financial years	
	2023/2024	2022/2023
Electrovac H&H	268	278
Electrovac EMG	142	135
Electrovac TH	42	40
Beuthhauser KG	80	81
Electrovac JP	2	2
Electrovac FR	2	2
Electrovac USA	1	1
Total number of employees	536	539

The higher personnel costs compared to the previous year are due to the structural adjustments in personnel costs mentioned in point 2.

7. Other operating expenses/income

Other expenses and income are broken down into the following items.

in kEUR	Financial years	
	2023/2024	2022/2023
Rental income	446	438
Income from reversal of RST/WB	139	62
Income from claims	5	55
Income from asset disposals	22	1
Income from exchange rate differences	136	310
Other income	491	575
Expenses from exchange rate differences	-357	-439
Other expenses	-18	-53
Other operating expenses/income	864	948

Rental income comes from leased premises in Electrovac EMG's investment properties.

In the 2023/2024 financial year, special effects in the form of subsidies were recognised in other income. Energy subsidies amounted to kEUR 124 (previous year: kEUR 86) and research premiums amounted to kEUR 130 (previous year: kEUR 242). At the plant in Thailand, recycling recoveries were recognised in other income.

Other expenses mainly comprise expenses relating to other periods and allowances for doubtful accounts.

In addition, consolidation effects from the consolidation of expenses and income as well as the consolidation of liabilities are shown in other income and expenses.

The balance of exchange rate differences amounted to kEUR -129 in the previous year and kEUR -222 in the 2023/2024 financial year.

8. Financial result

Financial income results from interest income on credit balances in bank accounts and loans granted. Both are insignificant.

Financing expenses are broken down as follows:

in kEUR	Financial years	
	2023/2024	2022/2023
Interest expense for loans	-1,052	-518
Interest expense for provisions	-78	-31
Interest expense for leasing	-533	-675
Interest expense for factoring	-231	-105
Unused supplier discounts	-93	-46
Total financing expenses	-1,986	-1,374

Interest expenses for provisions relate to non-current provisions (see also note 23). Interest expenses from reverse factoring agreements are shown under interest expenses for loans.

Discounts granted by suppliers but not utilised are not reported under operating expenses, but under financing expenses.

9. Income taxes / deferred taxes

Income taxes are allocated to the individual companies according to their annual results as follows:

in kEUR	Financial years	
	2023/2024	2022/2023
electrovac AG	-116	-25
Electrovac H&H	7	-278
Electrovac EMG	-299	-509
Beuthhauser KG	-71	-134
Electrovac JP	-4	0
Electrovac USA	0	-1
Total	-483	-948

The positive figure reported by Electrovac H&H results from a refund for previous assessment periods (kEUR 28).

The expense or income from the change in deferred taxes is distributed among the individual companies as follows:

in kEUR	Financial years	
	2023/2024	2022/2023
electrovac AG	22	5
Electrovac H&H	-159	-24
Electrovac EMG	-10	-7
Beuthhauser KG	15	3
Electrovac TH	120	-83
Consolidation	-36	-67
Total	-48	-174

Deferred taxes arise primarily from different valuation approaches for fixed assets and from the capitalisation of rental and leasing transactions. The data shown in the table shows the effects on earnings of deferred taxes from changes from one financial year to the next. The figures reported in the consolidation section are derived from the effects on earnings of the elimination of intercompany profits in inventories.

Deferred taxes arise from temporary differences in carrying amounts (kEUR -169) and from adjustments to deferred tax assets from tax loss carryforwards (kEUR 122).

The allocation of deferred taxes to individual balance sheet items shows the following development from the 2022/23 financial year to the 2023/24 financial year:

2023/2024 in kEUR	Net balance as at 1 April 2023	Recognised in profit or loss	FX effect	Recognised in other comprehensive income	Net balance as at 31 March 2024	Deferred tax assets	Deferred tax liabilities
Non-current personnel provisions	163	3	1	18	184	184	
Rights of use	-2,027	85	0		-1,942		-1,942
Lease liability	2,722	-57			2,666	2,666	
Property, plant and equipment / Investment properties	-1,392	-169	19		-1,542		-1,542
Inventories	45	-43	0		3	3	
Long-term financial assets	0	0		-2	-2		-2
Trade receivables	0	-6			-6		-6
Provisions / accrued liabilities	131	18			149	149	
Adjustment to other reserves	5	0		-5	0	0	
Tax loss carryforward	0	122	-4		118	118	
Balancing						-2,941	2,941
Tax receivables/liabilities	-353	-48	16	11	-374	178	-551

No deferred tax liabilities were recognised for temporary differences relating to shares in subsidiaries amounting to kEUR 1,288 (outside base differences).

No deferred taxes were recognised for the tax loss carryforwards totalling kEUR 2,616 incurred by Electrovac TH from 2015/2016 to 2023/2024. A history of losses indicates that future taxable profits cannot be assumed with certainty. The loss carryforwards expire 5 years after

Procedure for a government subsidy programme for direct investments in Thailand. It is intended that the subsidy programme will be available until at least the end of 2027.

The tax reconciliation is presented below. The actual and deferred tax expense is reconciled based on the product of the balance sheet profit before tax and the applicable tax rate:

Values in kEUR	Financial years			
	2023/2024		2022/2023	
Profit before taxes		2,455		4,354
Taxes based on the company's domestic tax rate	27.00%	663	27.00%	1,176
Tax rate effects of foreign tax jurisdictions	-2.46%	-60	-1.74%	-76
Tax rate reduction	-0.54%	-13	-0.51%	-22
Non-deductible expenses	2.31%	57	0.81%	35
Tax-free income	-1.47%	-36	-0.82%	-36
Recognition of tax effects of previously unrecognised tax loss carryforwards	-4.96%	-122	0.00%	0
Other differences	2.67%	66	2.34%	102
Changes in estimates from previous years	-0.92%	-23	-1.32%	-58
Actual and deferred tax expense	21.63%	531	25.76%	1,122

10. Property, plant and equipment

Property, plant and equipment comprise the following:

in kEUR	Financial years	
	2023/2024	2022/2023
Land and buildings	855	949
Technical equipment and machinery	16,772	16,901
Operating and office equipment	2,100	2,388
Assets under construction	2,853	2,279
Advance payments on fixed assets	912	307
Total property, plant and equipment	23,492	22,823

The item "Land and buildings" includes fixtures and infrastructure belonging to Electrovac H&H, Beuthhauser KG, buildings belonging to Electrovac EMG and improvements to the leased production hall belonging to Electrovac TH.

The technical equipment and machinery consists of manufacturing and production machinery. The range of manufacturing equipment includes electric continuous furnaces, electroplating equipment, various specialised machinery for mechanical processes and optical testing processes, machinery for the non-cutting and cutting manufacture of metal parts, tools for stamped parts and various toolmaking machines.

The equipment under construction consists of production equipment and stamping tools manufactured in-house. In addition to direct costs, the manufacturing costs also include an appropriate portion of the material and manufacturing overheads. General administrative and sales expenses are not capitalised.

The increase in the value of assets under construction compared to the previous year is due to investments made in machinery for the plant in Thailand (kEUR 2,570).

The item "Operating and office equipment" comprises small and measuring devices for production, office, warehouse and production equipment, IT systems, etc.

Depreciation of assets is generally recognised in the cost of sales or, if used in research and development or sales, in research and development expenses or sales expenses. Depreciation for the financial years is shown in the statement of changes in fixed assets.

The property, plant and equipment pledged as collateral as at 31 March 2024 was as follows:

- Production machinery of Beutlhauser KG in the course of hire purchase loans at a nominal value of kEUR 3,576 (previous year: kEUR 3,386).
- Production machinery of Electrovac H&H in the course of hire purchase loans at a nominal value of kEUR 325 (previous year: kEUR 0).
- Various production facilities of Electrovac H&H to secure an overdraft facility and KfW and investment loans at a nominal value of kEUR 2,675 (previous year: kEUR 3,375).
- Electrovac EMG production machinery for an investment loan and ERP loan at a nominal value of kEUR 1,398 (previous year: kEUR 998).

In the previous financial year 2022/2023, Electrovac H&H was granted an investment subsidy (kEUR 285) for three production machines, which was offset against the acquisition costs in accordance with IAS 20. As at 31 March 2024, Electrovac H&H has a carrying amount of investment subsidies of kEUR 435 (previous year: kEUR 450), which reduces property, plant and equipment.

Beutlhauser KG has also received several grants for assets in accordance with IAS 20 in recent years. The grants are earmarked and are paid out to co-finance measures to rationalise the Beutlhauser KG site in Salzweg. As at 31 March 2024, the carrying amount is kEUR 39 (previous year: kEUR 48). This was recognised as a reduction in property, plant and equipment.

In addition, investment subsidies were received in the past financial year at Electrovac EMG, which were recognised as a reduction in property, plant and equipment. The carrying amount here as of the reporting date is kEUR 39.

11. Intangible assets

The development of intangible assets is as follows:

in kEUR	Financial years	
	2023/2024	2022/2023
Intangible assets	2,890	3,043

Intangible assets comprise software licences, patents and trademark rights. Software licences are amortised over a period of between 1 and 5 years, patents over 10 years and trademark rights over 15 years. Patents were registered at electrovac AG and Electrovac H&H to protect specific manufacturing methods. Their net book value is kEUR 54 (previous year: kEUR 67). The net book value of the trademark rights held by electrovac AG is kEUR 2,580 (previous year: kEUR 2,870). The trademark rights and patents of electrovac AG are pledged (see note 22).

Internally generated intangible assets are not capitalised as the criteria set out in IAS 38 are not cumulatively met. Development costs are therefore recognised immediately as an expense in profit or loss in the year in which they are incurred.

Amortisation of intangible assets is recognised in production costs or, if they are used in other functional areas, under selling expenses, administrative expenses or research and development expenses. Amortisation for the financial years is shown in the statement of changes in fixed assets.

12. Goodwill

Goodwill arises mainly from the contribution of the subsidiaries Electrovac Hacht and Huber GmbH as a subgroup with the sub-subsidiaries Electrovac Thailand Co., Ltd. and Electrovac USA Inc. and Beuthhauser GmbH & Co. KG and was calculated as follows as at 31 March 2018:

	kEUR
Acquisition costs of the business contribution	24,527
Fair value of net assets	-16,792
Goodwill	7,735

The individual presentation of goodwill was as follows:

Company	Electrovac Hacht&Huber subgroup					Total
	Electrovac H&H	Electrovac Thailand	Electrovac USA	Electrovac Japan	Beutlhauser KG	Total
Cash	291,812	355,580	14,720	284,937	198	947,247
Other tangible/intangible VW	26,243,773	5,817,898	0	16,996	5,431,428	37,510,095
Receivables	13,334,948	569,415	9,739	291,163	505,584	14,710,848
Debts	24,155,614	6,784,948	0	288,698	5,147,188	36,376,448
Transferred consideration	15,499,434	1,619,077	12,360	335,873	7,059,764	24,526,508
Non-controlling interests	0	0	0	0	0	0
Fair value of the already held Ant	0	0	0	0	0	0
Fair value Net assets	-15,714,919	42,055	-24,459	-304,397	-790,022	-16,791,742
	-215,485	1,661,132	-12,099			
Goodwill		1,433,548		31,476	6,269,742	7,734,766

Goodwill mainly results from the skills and professional talents of the experienced workforce, which has been with the company for many years, and the expected synergies from the integration of the companies into the Group. No deferred taxes are recognised on temporary differences in goodwill in accordance with IAS 12.15(a) in conjunction with IAS 12.21.

The impairment test as at 31 March 2024, in accordance with IAS 36.90, concludes that the recoverable amount of the individual cash-generating units (production units) exceeds their respective carrying amounts. This result is also confirmed by the additional sensitivity analysis (change in interest rate of +/- 1%, change in free cash flow of +/- 20%).

As a result, the goodwill of kEUR 7,735 reported as at 31 March 2023 will also be reported at the same amount as at 31 March 2024.

13. Leasing

13.1 Rights of use

The breakdown of rights of use from leases (in kEUR) is as follows:

	Land	Buildings	Technical equipment	Motor vehicles	Total
Acquisition costs					
As at 1 April 2023	3,021	6,399	1,796	37 3	11,590
Additions				94	94
Disposals				- 56	-56
Revaluations	308		557		864
FX effect		-16	-3	0	-19
as of 31 March 2024	3,329	6,383	2,350	41 1	12,474
Depreciation					
accumulated as of 1 April 2023	664	2,440	1,186	19 1	4,481
in the financial year	178	563	370	10 9	1,220
Revaluations					0
Disposals				- 56	-56
FX effect		-12	-2	0	-15
Net book value as at 31 March 2024	2,487	3,393	794	16 7	6,844

	Land	Buildings	Technical facilities	Motor vehicles	Total
Acquisition costs					
As at 1 April 2022	5,415	6,400	1,602	39 4	13,811
Additions				49	49
Disposals				- 68	-68
Revaluations	-2,394		194		-2,199
FX effect		-1		-1	-2
as at 31 March 2023	3,021	6,399	1,796	37 3	11,590
Depreciation					
Cumulative as of 1 April 2022	558	1,868	840	16 0	3,426
in the financial year	106	565	346	10 0	1,117
Revaluations		6			6
Departures				- 68	-68
Net book value as at 31 March 2023	2,358	3,959	610	18 2	7,109

The Group presents rights of use separately from other assets in the balance sheet. This does not include rights of use that fall within the scope of IAS 40. These are reported under the balance sheet item Investment property. At Electrovac EMG, leased land is sublet in this context.

13.2 Leasing in the consolidated statement of comprehensive income

in kEUR	2023/2024	2022/2023
Depreciation on rights of use	-1,220	-1,117
Interest expenses from lease liabilities	-532	-675
Expenses for low-value leased assets	-40	-56
Expenses for short-term leases	-53	-42
Expenses for ancillary costs	-55	-57

Variable lease payments that are not linked to a price or index, or non-lease components that are not taken into account when determining lease liabilities, are incurred in the form of ancillary costs for leased properties. The low value of a leased asset is determined by a reference value of EUR 8,000. Rental income generated in connection with rights of use that are reported as investment properties is explained in section 14.

13.3 Lease liabilities

Below will the leasing liabilities by due date and term:

as at 31 March 2023	Up to 1 year kEUR	1 to 5 years kEUR	Longer than 5 years kEUR	Total kEUR
Electrovac EMG				
Undiscounted payments	411	1,507	3,630	5,548
Interest expense	156	533	645	1,334
Present values	256	973	2,985	4,214
Electrovac H&H				
Undiscounted payments	745	1,771	2,145	4,661
Interest expense	258	850	542	1,649
Present values	487	922	1,603	3,012
Electrovac TH				
Undiscounted payments	57	41		98
Interest expense	2	1		3
Present values	55	40	0	95
Beuthhauser KG				
Undiscounted payments	515	2,135	1,154	3,805
Interest expense	94	254	46	394
Present values	422	1,881	1,108	3,411
Total lease liability as at 31 March 2023	1,219	3,816	5,696	10,732
as at 31 March 2024	Up to 1 year kEUR	1 to 5 years kEUR	Longer than 5 years kEUR	Total kEUR
Electrovac EMG				
Undiscounted payments	437	1,622	3,580	5,640
Interest expense	160	544	582	1,287
Present values	277	1,078	2,998	4,353
Electrovac H&H				
Undiscounted payments	759	2,070	1,741	4,569
Interest expense	266	797	376	1,439
Present values	493	1,273	1,365	3,130
Electrovac TH				
Undiscounted payments	41	21		62
Interest expense	1	1		2
Present values	40	19	0	59
Beuthhauser KG				
Undiscounted payments	522	2,182	586	3,289
Interest expense	82	202	16	300
Present values	440	1,979	570	2,989
Total lease liability as at 31 March 2024	1,249	4,350	4,933	10,532

New lease liabilities or lease liabilities that are measured at a changed interest rate in accordance with IFRS 16.41 are discounted using a weighted average marginal borrowing rate of 4.61% (previous year: 3.71%). Any changes to a reference index that form part of future remuneration in connection with leases are not presented in future payments.

Most leases include extension options for the Group. If there is sufficient certainty that an option will be exercised, the adjustment to the term is taken into account in determining the lease liability. There are no agreed residual value guarantees.

13.4 Sale and lease back

In the 2017/2018 financial year, Electrovac H&H sold its developed commercial properties to Beutlhauser Beteiligungs GmbH and then leased them back. The right of use resulting from the transaction is amortised over the basic lease term of 15 years. At the end of the basic lease term, the lessee has an extension option of 10 years in each case. According to an expert opinion, the sale price of kEUR 2,600 from the transaction represented the fair value (category 3). The gain on the sale is recognised through reduced depreciation in the course of an adjustment to the carrying amount of the corresponding right of use.

14. Investment properties

Electrovac EMG holds land and buildings as financial investments. Investment properties are initially measured at acquisition or production cost and subsequently measured using the cost model. In accordance with IFRS 16, investment properties also include land that the Group holds in the form of a right of use as a lessee:

in kEUR	Investment properties	of which leased
Acquisition costs		
As at 1 April 2023	1,538	1,057
Additions		
Disposals		
Revaluations	108	108
as of 31 March 2024	1,645	1,165
Depreciation		
Cumulative as at 1 April 2023	615	232
in the financial year	89	62
Revaluations		
Disposals		
Net book value as at 31 March 2024	941	870

	Investment properties	of which leased
Acquisition costs		
As at 1 April 2022	2,375	1,895
Additions		
Disposals		
Revaluations	-838	-838
as at 31 March 2023	1,538	1,057
Depreciation		
Cumulative as at 1 April 2022	552	195
in the financial year	64	37
Revaluations		
Disposals		
Net book value as at 31 March 2023	922	825

The revaluation effect shown in the 2022/2023 financial year results from an adjusted term valuation in accordance with IFRS 16.

In the past financial year, Electrovac EMG recognised the following income and expenses from investment properties in profit or loss:

in kEUR	Financial years	
	2023/2024	2022/2023
Rental income	446	438
Direct operating expenses (proportionate lease)	-77	-70
Operating costs charged (included in rental income)	-108	-108
Profit from investment properties	262	260

The fair value of investment property as at 31 March 2024 (31 March 2023) amounts to kEUR 5,538 (kEUR 5,531). The fair value is not based on an expert opinion. The fair value (category 3) is determined using a present value calculation, whereby the updated annual income from investment properties is discounted over the remaining useful life of 48 (49) years at an interest rate of 4%. The interest rate and remaining useful life are based on the lease agreement that Electrovac EMG has concluded for the rental of land.

15. Financial assets

Long-term financial assets include Beutlhauser GmbH & Co. KG's stake in Komplementär Beutlhauser Verwaltungs GmbH, Salzweg, amounting to kEUR 26. The company's equity amounted to kEUR 58 as at 31 March 2024, with a 100% share in capital. The net profit for the financial year from 1 April 2023 to 31 March 2024 amounted to kEUR 4.

This balance sheet item also includes the positive fair value of the interest rate swap (kEUR 8) that was concluded as part of an interest rate hedge. The hedging relationship was designated as a cash flow hedge.

In addition, savings and security deposits of Electrovac TH and a loan in the amount of kEUR 248 (kEUR 120) are reported here.

16. Inventories

Inventories are composed as follows:

in kEUR	Financial years	
	2023/2024	2022/2023
Raw materials, consumables and supplies	17,806	17,049
Work in progress	8,436	8,334
Finished goods and merchandise	6,030	6,861
Gross inventories	32,271	32,244
less value adjustments for inventories	-5,693	-5,378
Net inventories	26,578	26,866

In accordance with IAS 2, inventories comprise assets held for sale in the ordinary course of business (finished goods and merchandise), assets in the process of production for sale (work in progress) or assets consumed in the production or rendering of services (raw materials and consumables).

Raw materials, components and changes in inventories of finished goods and work in progress recognised as expenses in cost of sales amounted to kEUR 34,850 in the 2023/2024 financial year (previous year: kEUR 32,575). The difference compared to the previous year is due to weaker operating performance.

Impairments and reversals of impairments of inventories included in the cost of sales, for example due to price differences, and additional expenses for material destruction and individual value adjustments amounted to kEUR -862 in the 2023/2024 financial year (previous year: kEUR -553). The difference compared to the previous year is mainly due to reporting date effects at Electrovac H&H, Electrovac EMG and Beuthhauser KG in the course of the usual impairment test. The methodology for value adjustments is explained in section 2.14.

Electrovac H&H's inventories have been assigned as collateral for overdraft facilities to the financing house banks.

17. Trade receivables

Trade receivables are due within one year and comprise the following (in kEUR):

	Financial years	
	2023/2024	2022/2023
Trade receivables	8,276	7,235
FX effect	-19	-14
Value adjustment for irrecoverable and doubtful receivables	-28	-58
Value adjustment for expected losses in accordance with IFRS 9	-10	-7
FVOCI measurement	-1	-2
Total trade receivables	8,217	7,154

The opening balance for trade receivables includes effects from factoring and forfaiting in the amount of kEUR 6,865 (previous year: kEUR 5,401).

The general credit risk is taken into account by a valuation allowance for expected losses in accordance with IFRS 9. Receivables that are not past due are anticipated on the basis of expected default rates (kEUR -10). Individual valuation allowances are made on a case-by-case basis and as required (kEUR -28).

The Group's experience to date with regard to the recoverability of receivables is reflected in the calculation of the value adjustment. Management assumes that there are no default risks on receivables that exceed the value adjustments.

The overdue receivables are as follows:

	Gross balance (in kEUR)	of which closing date (in kEUR)	Adjusted in accordance with stage 2 (ECL)	Adjusted in accordance with stage 3 (ECL)	Of which past due on the balance sheet date in the following time bands (in kEUR)					
					Overdue 1-30	Overdue 31-60	Overdue 61-90	Overdue 91-180	Overdue 181-360	Overdue > 360
Trade receivables and services	8,276	6,073	-10	-28	1,208	217	429	356	40	-47
as of 31 March 2024	8,276	6,073	-10	-28	1,208	217	429	356	40	-47
Trade receivables and services	7,235	6,387	-7	-58	869	-56	-14	78	112	-140
as of 31 March 2023	7,235	6,387	-7	-58	869	-56	-14	78	112	-140

With regard to trade receivables that are neither impaired nor past due, there are no indications as of the balance sheet date, as in the previous year, that the debtors will not meet their payment obligations.

As trade receivables are assigned to the "hold and sell" business model, subsequent measurement is carried out at fair value through other comprehensive income (FVOCI).

Electrovac H&H began forfaiting financing in the 2021/2022 financial year, which was intensified in subsequent years. Receivables are selectively tendered. In addition, reverse factoring agreements exist with two major customers.

Furthermore, Beutlhauser GmbH & Co. KG and Electrovac EMG sell trade receivables as part of factoring financing. Electrovac EMG also expanded this type of financing in the past financial year.

Electrovac TH concluded a reverse factoring agreement with a major customer in the past financial year. In the coming financial year, financing will also be provided by means of factoring.

18. Other assets

Other assets (in kEUR) are composed as follows:

	Financial years	
	2023/2024	2022/2023
Tax receivables	504	864
<i>of which VAT receivables</i>	<i>502</i>	<i>857</i>
Financial assets	1,001	106
Other assets	356	1,335
Prepaid expenses	361	293
Total other assets	2,223	2,598

Of the tax receivables, kEUR 502 are VAT receivables (previous year: kEUR 857).

Current financial assets include loans to shareholders (kEUR 800) that were agreed in the 2023/2024 financial year.

Other assets include accounts payable, advance payments for inventories and reimbursement claims. Advance payments for raw materials, consumables and supplies at Beutlhauser KG shortly before the reporting date account for the increased value at the end of the 2022/2023 financial year.

Accruals mainly relate to rent and insurance payments.

19. Cash and cash equivalents

Means of payment are recognised in the balance sheet at acquisition cost. They comprise cash on hand and demand deposits or cash advances with a maturity of up to three months. Overdraft facilities are also reported as current financial liabilities under current liabilities (see note 22).

in kEUR	Financial years	
	2023/2024	2022/2023
Bank balances	1,202	1,278
Overdraft facilities	-4,274	-6,603
Total cash and cash equivalents	-3,072	-5,325

20. Equity

The share capital of electrovac AG is divided into 500,000 no-par value shares and amounts to kEUR 500 as at the balance sheet date:

Shares in circulation

Common shares issued as of 1 April 2022	500,000
Capital increase in kind Cash capital increase	
Common shares issued as of 31 March 2023	500,000
Common shares issued as of 1 April 2023	500,000
Capital increase in kind Cash capital increase	
Common shares issued as of 31 March 2024	500,000

The capital increase in kind resolved at the Annual General Meeting on 22 March 2018, whereby 38,206 new no-par value shares were issued in exchange for the contribution of Electrovac H&H, Electrovac EMG, Electrovac France, Electrovac JP and Beuthhauser KG on 31 March 2018, was entered in the commercial register on 17 May 2018. On 26 June 2018, the shareholders of electrovac AG carried out a further capital increase through cash contributions made on the same day. In the course of this, 361,794 shares were issued.

The consolidated equity is broken down as follows (in kEUR):

	Financial years	
	2023/2024	2022/2023
Issued share capital	500	500
Capital reserve	29,015	29,015
Other reserves	-431	-99
Retained earnings	10,438	8,914
Total equity	39,522	38,330

The capital reserve primarily comprises the capital increase in kind and cash carried out in 2018, less the directly attributable expenses for raising equity (kEUR 28,518). In addition, the item includes a debt waiver by Electrovac Holding AG in connection with the acquisition of patents and trademark rights in the amount of kEUR 465. Furthermore, kEUR 32 was reclassified from existing retained earnings to capital reserves in the 2018/2019 financial year.

Other reserves include currency translation differences from consolidation measures, valuation effects of financial instruments recognised at fair value through other comprehensive income, and actuarial gains or losses from defined benefit plans and their tax effects.

Other reserves represent exclusively the cumulative OCI effect.

In the 2023/2024 financial year, a dividend payment of kEUR 400 was approved. The payment will be made in the coming financial year. In the previous year, a distribution of kEUR 427 was approved and paid at the beginning of this financial year. The dividend per share amounts to EUR 0.80 (previous year: EUR 0.85).

The changes in retained earnings are due to the allocation of consolidated net income from the current financial year in the amount of kEUR 2,041 and a dividend of kEUR 400 that had not yet been paid out as of the reporting date. The profit carried forward from the previous year amounts to kEUR 8,914.

Earnings per share (basic/diluted) amounted to EUR 3.85 as at 31 March 2024. In the previous year, this figure was EUR 6.46. The calculation is based on the average number of shares outstanding during the reporting period. This was 500,000 shares in both the past financial year and the previous year.

21. Information on capital management

The Group's objective is to maintain a strong capital base in order to preserve the confidence of creditors and markets and to ensure the sustainable development of the company. Management regularly monitors the return on capital and the amount of distributions paid to shareholders.

Management strives to achieve a balance between increasing returns, which could be achieved with a higher debt ratio, and the advantages of a stable capital base.

The Group monitors capital using a ratio of net debt to equity. Net debt comprises all liabilities as reported in the balance sheet, less cash and cash equivalents. Equity comprises all components of shareholders' equity.

in kEUR	Financial years	
	2023/2024	2022/2023
Total debt	41,122	42,381
Less cash and cash equivalents	-1,202	-1,278
Net debt	39,920	41,103
Equity	39,522	38,330
Net debt to equity ratio	1.01	1.07

22. Financial liabilities

Financial liabilities are broken down as follows (in kEUR):

	Financial years	
	2023/2024	2022/2023
Non-current bank liabilities	6,219	6,776
Long-term financial liabilities	6,219	6,776
Current bank liabilities	2,400	750
Current account liabilities	4,274	6,603
Current portion of long-term financial liabilities	2,353	2,091
Current financial liabilities	9,028	9,444
Total financial liabilities	15,246	16,220

The maturity of financial liabilities is as follows (in kEUR):

	Financial years	
	2023/2024	2022/2023
Up to 1 year	9,028	9,443
1 to 5 years	5,132	5,696
Over 5 years	1,086	1,080
Total financial liabilities	15,246	16,220

The financial liabilities mainly comprise the following credit and loan agreements:

In kEUR	Currency	Nominal interest rate (%)	Maturity year	31 March 2024 Nominal amount	2024 Book value	31 March 2023 Nominal amount	2023 Book value
Hire purchase loans (secured)	EUR	-	2024-2030	3,489	2,011	4,216	1,956
KfW loan (secured)	EUR	1.00-4.25	2025-2030	3,800	1,789	3,800	2,498
Other loans (secured)	EUR	0.98-5.80	2024-2029	11,098	7,172	8,904	5,163
Current account (secured)	EUR	5.50-7.00	-	4,274	4,274	6,603	6,603
Total				22,661	15,246	23,523	16,220

electrovac AG took out an investment loan with a nominal value of kEUR 4,000 (carrying amount kEUR 667) for the acquisition of trademark rights and patents. To this end, electrovac AG pledged the industrial property rights to Hypo Vereinsbank and assigned licences as security.

In the 2023/2024 financial year, Electrovac H&H took out new hire purchase loans for machine financing in the amount of kEUR 325. Beuthauser KG took out a loan in the amount of kEUR 400 to finance raw materials, and Electrovac EMG took out a loan in the amount of kEUR 300 to finance an IT project.

electrovac AG acts as guarantor for various loans taken out by Electrovac H&H. In addition, electrovac AG has issued a firm letter of comfort to the Raiffeisenlandesbank Oberösterreich Aktiengesellschaft bank for Beuthauser KG in the amount of kEUR 1,000. The letter of comfort is limited to the period during which the subsidiary utilises the loan.

As part of a KfW loan (nominal value of kEUR 1,125, carrying amount of kEUR 563), Electrovac H&H has agreed certain covenants with Commerzbank AG based on the financial statements prepared in accordance with commercial law (in the narrow sense), which, if not complied with, will result in the loan becoming due and payable by the bank.

The covenants at Electrovac H&H level are as follows:

Equity covenant (equity ratio); value at least 30%

	as at 31 March 2024	as at 31 March 2023
Equity	18,804,067	18,827,070
Adjusted for deferred taxes	15,677	36,667
Counter	18,819,744	18,863,737
Balance sheet total	36,982,932	37,152,678
Less deferred taxes	-15,677	-36,667
Denominator	36,967,255	37,116,011
Key figure as of the reporting date	50.9%	50.8%

Debt covenant (net financial liabilities / EBITDA); maximum value 3.0

	as of 31 March 2024	as at 31 March 2023
Financial liabilities >1 year	3,032,715	4,557,869
Financial liabilities <1 year	4,236,741	3,772,985
less cash and cash equivalents	-372,910	-342,303
Numerator (net financial liabilities)	6,896,546	7,988,552
EBIT (line 12 minus lines 8-11)	659,753	1,671,751
Total depreciation	1,315,682	1,229,232
Denominator (EBITDA)	1,975,435	2,900,982
Key figure as of the reporting date	3.49	2.75

As at 31 March 2023, the requirements for equity ratio and gearing ratio were met. As at 31 March 2024, the specified gearing ratio was slightly exceeded. This is not expected to result in any financing problems.

23. Liabilities for post-employment benefits

The long-term personnel provisions reported in the balance sheet are composed as follows (in kEUR):

	Financial year	
	2023/2024	2022/2023
Provision for severance payments	1,356	1,359
Provisions for anniversaries	515	483
Provision for partial retirement	374	281
Provisions for severance payments, other	73	90
Total liabilities for post-employment benefits	2,319	2,213

Within the Electrovac Group, there are both defined contribution and defined benefit pension obligations towards employees. The defined contribution commitments relate to the obligation that has existed in Austria since 1 January 2003 to pay monthly contributions into a severance pay fund ("employee pension fund") for employees who join the company from this date onwards. In addition, Electrovac H&H has a defined contribution obligation to pay pension benefits into a fund (Metall Rente) for its employees. Defined contribution payments are recognised as an expense in the consolidated statement of comprehensive income as they fall due.

Defined benefit obligations represent post-employment benefits for employees at Electrovac EMG who joined the company before 1 January 2003. In addition, other long-term benefits (anniversary bonuses, partial retirement) are reported for the plants in Germany and Austria. Furthermore, severance provisions are recognised for employees at Electrovac TH. The aforementioned benefit commitments are measured in accordance with IAS 19 using the projected unit credit method. No plan assets are accumulated in the course of this. Benefits are financed from the company's own cash flow on an ad hoc basis. According to expert opinions and estimates, total expenses of kEUR 266 are expected in the next reporting period. Employees do not make any contributions to the defined benefit plans.

Anniversary bonuses are granted to all employees at Electrovac H&H, Beuthhauser KG and Electrovac EMG in accordance with their length of service. Entitlement to partial retirement is assessed on an individual basis at Electrovac H&H.

Where applicable, the 2018G tables by Klaus Heubeck and the AVÖ 2018-P – calculation bases for pension insurance – serve as biometric calculation bases.

23.1 Provisions for severance payments

In the 2023/2024 financial year, there are obligations to pay severance payments within the Electrovac Group for employees of Electrovac EMG, where there are both defined benefit and defined contribution plans.

The liabilities arising from the defined benefit plans were calculated in accordance with actuarial principles. The provisions for severance payments are formed for the statutory entitlements of workers and employees. The amount of the entitlements depends on the number of years of service and the relevant salary at the time the severance payment is due.

The development of the provision for severance payments at Electrovac EMG is shown below (in kEUR):

	Financial years	
	2023/2024	2022/2023
Opening balance	1,359	1,478
Differences from currency translation		
Current service cost	43	50
Interest expense	52	21
Actuarial losses/gains	79	-70
Actual payments	-178	-120
Balance at end of financial year	1,356	1,359

Provisions for severance payments have been made for employees and workers who are entitled to severance payments in accordance with the Salaried Employees Act, the Workers' Severance Pay Act or works agreements. Employees whose employment relationships are subject to Austrian law are entitled to severance pay upon termination of their employment relationship upon reaching the statutory retirement age if the employment relationship in question began before 1 January 2003 and has lasted for at least ten years without interruption, even if the employment relationship is terminated by the employee. The amount of severance pay depends on the amount of remuneration at the time of termination and the length of service. These employee entitlements are therefore to be treated as entitlements from defined benefit pension plans, although there are no plan assets to cover these entitlements. The same applies to workers who are entitled to severance pay under the Workers' Severance Pay Act and to severance pay payable under works agreements.

The measurement of existing severance pay obligations is based on assumptions and estimates that can significantly affect the amount recognised in the balance sheet. The Electrovac Group is subject to risks relating to the development of the discount rate, salary and pension trends, the probability of staff turnover and mortality rates. These risks are continuously monitored by the relevant risk management team and examined for possible mitigation measures. Severance payments are not hedged by cover assets or outsourced, but are included in risk management where necessary and economically viable. The capital required for severance payments is addressed as part of capital risk management.

The following effects of the defined benefit plans on future cash flows are expected for the coming financial year and were expected in the previous year:

2024/2025

Current service cost	45 kEUR
Net interest expenses	51 kEUR

2023/2024

Current service cost	45 kEUR
Net interest costs	52 kEUR

The most important actuarial assumptions used as at the balance sheet date are listed below in per cent:

	Financial years	
	2023/2024	2022/2023
Discount rate	3.75%	3.85%
Future wage and salary increases	3.90%	3.90%
Fluctuation in workers/employees	0.00%	0.00%
Retirement age for men	65%	65
Retirement age for women	60-65	60-65

Assumptions about future life expectancy are based on published statistics and mortality tables. As in the previous year, the new Austrian pension insurance tables entitled "AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung" (AVÖ 2018-P – Calculation bases for pension insurance), which comply with legal requirements, were used as the basis for calculations.

On 31 March 2024, the weighted average term of the defined benefit obligation is 10 years (previous year: 10 years).

Sensitivity analysis

The changes in significant actuarial assumptions that were reasonably possible at the balance sheet date would have affected the defined benefit obligation by the following amounts, assuming that all other assumptions remained constant:

Effect in kEUR	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-118	133	-119	136
Salary increases (1% change)	132	-119	134	-120
Pension increases (0.25% change)	n/a	n/a	n/a	n/a

23.2 Anniversary provisions

Entitlements to anniversary bonus payments exist at Electrovac H&H, Beuthhauser KG and Electrovac EMG. During the reporting period, provisions for anniversary bonuses developed as follows (in kEUR):

	Financial years	
	2023/2024	2022/2023
Opening balance	483	553
Differences from currency translation		
Current service cost	37	31
Interest expense	18	8
Actuarial losses/gains	28	-88
Actual payments	-52	-20
Balance at end of financial year	515	483

The key actuarial assumptions used at the balance sheet date to calculate provisions for anniversary bonuses are largely identical to those used to calculate provisions for severance payments. The discount rate for anniversary provisions within the Group ranges from 3.65 to 3.75 per cent. As in the previous year, Electrovac EMG has applied a staff turnover rate of 10 per cent.

23.3 Provisions for partial retirement

Provisions for partial retirement are recognised at Electrovac H&H. According to the expert opinion, provisions for partial retirement developed as follows during the reporting period (in kEUR):

	Financial years	
	2023/2024	2022/2023
Opening balance	281	376
Current service cost	226	93
Interest expense	8	0
Actual payments	-140	-188
Balance at the end of the financial year	374	281

The most important assumptions used as at the balance sheet date are:

	Financial years	
	2023/2024	2022/2023
Discount rate	3.7%	3.5%
Future wage and salary increases	2.2%	2.2%
Retirement age for men	67	67
Retirement age for women	67	67

24. Provisions

Other short-term provisions are as follows (in kEUR):

	Financial years	
	2023/2024	2022/2023
Warranty provisions	157	184
Provisions for contingent losses	502	475
Total provisions	658	659

The development of the individual provisions in the financial year is shown in the following table:

	Balance as at 01/04/2023	Allocation	Reversal	Compoundin g	Discount	Consumption	Balance as at 31 March 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Warranty provisions	184	0	27	0	0	0	157
Threat loss provisions	475	35	8	0	0	0	502
Total	659	35	35	0	0	0	658

	Status as of 1 April 2022	Allocation	Reversal	Compoundin g	Discount	Consumption	Balance as at 31 March 2023
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Warranty provisions	162	21	0	0	0	0	184
Threat loss provisions	526	53	104	0	0	0	475
Total	688	74	104	0	0	0	659

The warranty provision is based on the warranty expenses incurred in previous years. Therefore, the actual expense incurred may differ significantly from the amount provisioned.

The provision for contingent losses is formed for all delivery orders included in the order backlog as at the balance sheet date.

25. Trade payables

As in the previous year, trade payables are due within one year and amount to the following in kEUR per individual company as at the balance sheet date:

	Financial years	
	2023/2024	2022/2023
electrovac AG	11	31
Electrovac H&H	2,673	2,263
Electrovac EMG	1,254	1,312
Electrovac TH	336	142
Beuthhauser KG	715	613
Electrovac JP	9	13
Electrovac FR	8	9
Electrovac USA	93	55
Total trade payables	5,099	4,437

26. Tax provisions

Below are in kEUR the and and still not income tax expenses are presented as follows:

	Financial years	
	2023/2024	2022/2023
Trade tax provisions	41	224
Income tax provisions	519	723
Total tax provisions	560	947

27. Other liabilities

Other current liabilities are due within one year and comprise the following (in kEUR):

	Financial years	
	2023/2024	2022/2023
Liabilities for unused holiday entitlement	1,209	949
Liabilities from flexitime credits	559	487
Liabilities from bonuses and royalties	665	83
Liabilities for special payments	837	774
Liabilities for legal and consulting fees	195	185
Other liabilities relating to social security	244	215
Liabilities to tax authorities	486	529
Other liabilities	1,961	1,872
Total other liabilities	6,156	5,846

This balance sheet item includes deferred liabilities in accordance with IAS 37 amounting to kEUR 4,160 (previous year: kEUR 4,002).

In the other liabilities include other short-term financial liabilities amounting to kEUR 969 (previous year: kEUR 756).

28. Overview of financial instruments

The Group's financial assets and financial liabilities developed as follows in the financial years (in kEUR):

Carrying amounts of financial instruments by category in accordance with IFRS 9 and their fair values in kEUR						
Assets	Category in accordance with IFRS 9	Carrying amount 31 March 24	at amortised cost	at fair value recognised in equity	at fair value in the income statement recognised	Fair value 31 March 24
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
	AC	248	248			248
Long-term receivables from derivatives	Hedge accounting	8		8		8
Other long-term financial receivables	AC	62	62			62
Current financial assets						
Trade receivables Cash	FVOCI	8,217		8,217		8,217
Loans granted	AC	1,202	1,202			
Short-term receivables from derivatives	AC	846	846			
Other short-term financial receivables	FVTPL					
	AC	155	155			
Liabilities						
Long-term financial liabilities						
Long-term loan liabilities	AC	6,219	6,219			5,948
Long-term liabilities from derivatives	FVTPL					
Other long-term financial liabilities	AC					
Short-term financial liabilities						
Trade payables						
Short-term loan liabilities	AC	5,099	5,099			
Short-term liabilities from derivatives	AC	9,028	9,028			
Other short-term financial liabilities	FVTPL					
	AC	969	969			
Financial assets at fair value through profit or loss	FVTPL					
Financial assets at amortised cost	AC					
Financial Assets at fair value through other comprehensive income	FVOCI					
Financial liabilities at fair value through profit or loss	FVTPL					
Financial liabilities at amortised cost	AC					

Carrying amounts of financial instruments by category in accordance with IFRS 9 and their fair values in kEUR						
Assets	Category in accordance with IFRS 9	Carrying amount 31 March 23	at amortised cost	at fair value recognised in equity	at fair value in the income statement recognised	Fair value 31 March 23
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
	AC					
Long-term receivables from derivatives	FVTPL					
Other long-term financial receivables	AC	183	183			183
Current financial assets						
Trade receivables Cash	FVOCI	7,154		7,154		7,154
Current receivables from derivatives	AC	1,278	1,278			
Other current financial receivables	FVTPL					
	AC	106	106			
Liabilities						
Long-term financial liabilities						
Long-term loan liabilities	AC	6,776	6,776			6,397
Long-term liabilities from derivatives	FVTPL					
Other long-term liabilities	AC					
Short-term financial liabilities						
Trade payables						
Short-term loan liabilities	AC	4,437	4,437			
Short-term liabilities from derivatives	AC	9,444	9,444			
Other short-term financial liabilities	FVTPL					
	AC	756	756			
Financial assets at fair value through profit or loss	FVTPL					
Financial assets at amortised cost	AC					
Financial assets at fair value through other comprehensive income	FVOCI					
Financial liabilities at fair value through profit or loss	FVTPL					
Financial liabilities at amortised cost	AC					

Hedge accounting

In the 2023/2024 financial year, a payer interest rate swap with a nominal value of kEUR 2,000 was concluded to hedge variable interest payments from a loan taken out and from expected loans that are highly likely to occur. The underlying transactions and hedging instruments were designated in a hedging relationship (cash flow hedge). Prospective effectiveness was determined using the critical terms match method; retrospective effectiveness was determined using the hypothetical derivative method. There were no inefficiencies as of the balance sheet date. The term, reference interest rate and nominal amount are identical. The change in value of the swap is therefore recognised in its entirety in other comprehensive income. As at the balance sheet date, the fair value amounts to kEUR 8 (previous year: kEUR 0).

Fair value

The following table shows the valuation techniques used to determine the fair values of levels 2 and 3, as well as the significant unobservable input factors used:

Valuation based on market-observable inputs (Level 2)

Financial instruments measured at fair value

Type	Evaluation technique	Significant unobservable Input factors
Trade receivables	Nominal value less factoring fees for unsold factoring exposure	N.V.
Long-term receivables from derivatives	Present value calculation: discounting for future interest income and interest payments from interest rate swaps	Forecast assumptions for the development of the 3M Euribor (iterative approximation for sensitivity)

Valuation using input factors not observable on the market (Level 3)

Financial instruments not measured at fair value for which the fair value must be disclosed

Type	Valuation technique	Significant unobservable input factors
Other non-current financial receivables		
Loan liabilities Loans granted	Discounting of expected future cash flows (DCF)	Bank margin (derived)

No fair value is stated for short-term financial instruments, as it is assumed for simplicity's sake that this approximates the carrying amount due to the short term.

Net result

The following table shows the net result from financial instruments (in kEUR). It includes currency results, interest and other effects recognised in profit or loss:

Net result from financial instruments	2023/2024	2022/2023
Financial assets measured at amortised cost (AC)	-1	83
<i>of which interest income</i>	26	0
Financial assets at fair value through other comprehensive income (FVOCI)	-516	-376
<i>of which interest expense</i>	-435	-105
Financial liabilities measured at amortised cost (AC)	-1,088	-605
<i>of which interest expense</i>	-835	-518

29. Information on contingent assets/liabilities

Beyond intra-group guarantees and letters of comfort, no significant contingent assets/liabilities are recognised as at the balance sheet date.

30. Information on the cash flow statement

With regard to the components of cash and cash equivalents, please refer to No. 19 Cash and cash equivalents. Cash and cash equivalents are defined as the balance of cash and cash equivalents with a maturity of less than three months, less current liabilities included in current financial liabilities arising from current account relationships that are part of company-wide cash management.

Cash flow from operating activities is presented using the indirect method.

Interest income is allocated in full to cash flow from investing activities. Interest payments in connection with lease liabilities and loans are reported in full in cash flow from financing activities. Tax payments are reported in full under operating activities.

There are no restrictions on the disposal of funds in the cash fund.

The exchange rate-related change in the value of cash and cash equivalents was determined on the basis of a simplified direct calculation using average exchange rates for the period.

In kEUR	Notes	Debts			Equity						Total
		Used for cash management purposes overdraft facilities	Other financial liabilities liabilities	Leasing liabilities	Subscribed capital	Capital reserve	Profit reserve	Other reserves	Balance sheet profit/loss	To implement the approved capital increase Contributed capital	
Balance sheet as at 1 April 2023		6,603	9,618	10,732	500	29,015	0	-99	8,914	0	65,282
Changes in cash flow from financing activities											
Proceeds from the issue of shares	20										0
Proceeds from other financial liabilities	22		3,780								3,780
Payments for other financial liabilities	22	-2,328	-2,425								-4,754
Interest paid	8		-1,375	-533							-1,908
Repayment of lease liabilities	13			-1,247							-1,247
Distribution	20								-427		-427
Total change in cash flow from financing activities		-2,328	-21	-1,779	0	0	0	0	-427	0	-4,555
Effects of exchange rate changes		0	0	0	0	0	0	-279	0	0	-279
Changes in fair value		0	0	0	0	0	0	7	0	0	7
Other changes related to equity	20										
Capital increase carried out											0
Actuarial gains/losses	23.1							-61			-61
Profit for the period									1,924		1,924
Total other changes relating to liabilities		8.13	1,375	1,579							2,955
Total other changes relating to equity					0	0	0	-61	1,951	0	1,891
Balance sheet as at 31 March 2024		4,275	10,972	10,532	500	29,015	0	-431	10,438	0	65,300

In kEUR	Notes	Debt			Equity						Total
		on cash management current account overdrafts	Other financial liabilities	Lease liabilities	Subscribed capital	Capital reserve	Profit reserve	Other reserves	Balance sheet profit/ loss	To implement the approved capital increase Contributed capital	
Balance sheet as at 1 April 2022											
		6,131	8,256	14,748	500	29,015	0	-127	6,109	0	64,632
Changes in cash flow from financing activities											
Proceeds from the issue of shares	20										0
Proceeds from other financial liabilities	22	472	3,644								4,116
Payments for other financial liabilities	22		-2,282								-2,282
interest paid	8		-668	-675							-1,343
Repayment of lease liabilities	13			-1,028							-1,028
Distribution	20										0
Total change in cash flow from		472	693	-1,703	0	0	0	0	0	0	-537
Effects of exchange rate changes		0	0	0	0	0	0	-27	0	0	-27
Changes in fair value		0	0	0	0	0	0	1	0	0	1
Other changes related to equity	20										
Capital increase carried out											0
Actuarial gains/losses	23.1							54			54
Profit for the period									3,232		3,232
Total other changes relating to liabilities		8,13,22	668	-2,314							-1,645
All other changes relating to equity					0	0	0	54	2,804	0	2,858
Balance sheet as at 31 March 2023											
		6,603	9,618	10,732	500	29,015	0	-99	8,914	0	65,282

31. Related companies and persons

electrovac AG's connections to related parties in the reporting year are as follows:

Name	Close relationship as at the balance sheet date
Christoph Beutlhauser	Shareholder of electrovac AG, Managing Director of Beutlhauser GmbH & Co. KG
Michael Beutlhauser	Shareholder of electrovac AG, Managing Director of Beutlhauser GmbH & Co. KG
Dieter Thumfart	Member of the Executive Board of electrovac AG, Managing Director of Electrovac Hacht und Huber GmbH, Managing Director of Electrovac Metall- Glaseinschmelzungs GmbH, Managing Director of Electrovac (Thailand) Co. Ltd
Christian Fürst	Member of the Supervisory Board of electrovac AG (Chairman)
Oliver Mühlberger	Member of the Supervisory Board of electrovac AG (Deputy Chairman)
Martin Wösner	Member of the Supervisory Board of electrovac AG

In accordance with IAS 24, persons who control electrovac AG, exercise significant influence or hold a key position in management are disclosed.

Control exists if a shareholder holds more than half of the voting rights in electrovac AG or has the power to control the financial and business policy of electrovac AG by virtue of the Articles of Association or a contractual agreement.

With regard to related companies, we refer to the organisational chart in section 1.1. Furthermore, the parent company Electrovac Holding AG, Chur, which does not prepare its own consolidated financial statements, is a related company.

Transactions with related companies and persons Values in kEUR	Carrying amount in FY 2023/24	Balance sheet total as at 31 March 2024	Adjusted value in FY 2022/23	Balance sheet total as at 31 March 2023
Licence payment for trademark rights and patents from Electrovac Hacht und Huber GmbH to electrovac AG	583	80	566	10
Licence payment for trademark rights and patents from Electrovac Metall-Glaseinschmelzungs GmbH to electrovac AG	155	21	142	10
Management fee for management services and settlement of marketing costs from electrovac AG to Electrovac Hacht und Huber GmbH	216	21	304	0
Management fee for management services and billing of marketing costs from electrovac AG to Electrovac Metall-Glaseinschmelzungs GmbH	191	16	276	0
Management fee for management services and marketing costs charged by electrovac AG to Electrovac (Thailand) Co. Ltd	45	4	65	5
Management fee for commercial management from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac Hacht und Huber GmbH	108	9	0	0
Offsetting of marketing costs from electrovac AG to Beuthauser GmbH & Co.KG	9	1	11	0
Sale of airbag headers from Electrovac Hacht und Huber GmbH to Electrovac Japan KK (which is an intermediary for third-party customers)	2,749	271	4,232	602
Settlement of service fee for sales services from Electrovac Japan KK to Electrovac Hacht und Huber GmbH	77	0	85	0
Sale of semi-finished products and service fee for IT licences and distribution services from Electrovac Hacht und Huber GmbH to Electrovac Metall-Glaseinschmelzungs GmbH	611	30	1,136	58
Sale of components and tools and service fee for IT, development and technology from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac Hacht und Huber GmbH	9,972	4,137	9,645	4,035
Service fee for administrative services from Electrovac Hacht und Huber GmbH to electrovac AG	108	11	102	0
Sale of components, machines and spare parts from Electrovac Hacht und Huber GmbH to Electrovac (Thailand) Co. Ltd	1,858	351	1,942	1,546
Shareholder loan from Electrovac Hacht und Huber GmbH to Electrovac (Thailand) Co. Ltd.	65	2,015	75	2,500
Sale of tools and service fee for management and IT services from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac (Thailand) Co. Ltd	169	4	162	22
Sale of tools and service fee for IT from Electrovac Metall-Glaseinschmelzungs GmbH to Beuthauser GmbH & Co. KG	40	6	35	4
Sale of semi-finished products and service fee for administrative services from Electrovac Hacht und Huber GmbH to Beuthauser GmbH & Co. KG	1,878	303	1,755	289
Sale of components from Beuthauser GmbH & Co. KG to Electrovac Hacht und Huber GmbH and Electrovac Metall- Glaseinschmelzungs GmbH	6,515	1,102	6,854	769
Leasing of building space by Beuthauser GmbH & Co. KG to Electrovac Hacht und Huber GmbH	42	0	41	0
Service fee for sales services provided by Electrovac France s.a.r.l. to Electrovac Hacht und Huber GmbH	228	0	228	0
Service fee for sales services provided by Electrovac France s.a.r.l. to Electrovac Metall-Glaseinschmelzungs GmbH	152	0	152	0
Service fee for sales services provided by Electrovac USA Inc. to Electrovac Hacht und Huber GmbH	175	0	178	0
Service fee for distribution services provided by Electrovac USA Inc. to Electrovac Metall-Glaseinschmelzungs GmbH	75	0	76	61
Loans granted by Electrovac AG to shareholders and Electrovac Holding AG	16	846	1	30
Loan granted by Beuthauser GmbH & Co. KG to shareholders	8	248	0	120

Transactions with related parties (in kEUR) are listed in the table above. Payment terms of 30 to 75 days net apply to all intra-group transactions. There is no collateral for any intra-group receivables or loans granted. Doubtful receivables, if any, are written down.

32. Events after the balance sheet date

There were no materially significant value-determining events after the balance sheet date in accordance with IAS 10.10.

G Risk management for financial risks

The Group is exposed to financial risks in the course of its operating activities. These risks include, in particular, interest rate, payment default, liquidity, price change and currency risks. These risks are managed and limited by the management. Monitoring is carried out by the Group-wide risk management system.

1. Interest rate risk

The Management Board considers the impact of changes in market interest rates on consolidated earnings and operating cash flow to be low.

In accordance with IFRS 7, interest rate risks are presented using sensitivity analyses, whereby the hypothetical effects of changes in market interest rates on interest income and expenses are determined. The interest rate sensitivity analyses are based on the following assumptions:

- Changes in market interest rates for primary financial instruments with fixed interest rates only affect earnings if these are measured at fair value. Fixed-interest financial instruments are mainly long-term bank loans. Accordingly, all fixed-interest financial instruments measured at amortised cost are not subject to interest rate risk under IFRS.
- The Electrovac Group is exposed to interest rate risks vis-à-vis third parties in connection with factoring positions and short-term financial liabilities that carry variable interest rates. A change in interest rates of 100 basis points would have an effect on earnings of kEUR -111 in the event of an increase in interest rates and an effect of kEUR +111 in the event of a decrease in interest rates.
- The development of the 3M Euribor influences the market value of the interest rate swap used for hedging purposes. An interest rate increase of 100 basis points would have an effect on other comprehensive income of kEUR +42; an interest rate decrease of 100 basis points would have an effect on other comprehensive income of kEUR -43.

2. Default risk

Despite its international customer structure, the Group considers its default risk to be relatively low. It has regulations in place to ensure that products are only sold to customers with a qualified credit rating and to limit the extent of the default risk vis-à-vis individual contractual partners. In its operating business, outstanding receivables are monitored decentrally in the business units. Default risks are taken into account by means of portfolio value adjustments.

The maximum credit or default risk is reflected in the carrying amounts of the assets recognised in the balance sheet. Receivables are selectively sold under factoring/forfeiting agreements. In addition, a significant portion of trade receivables is covered by credit insurance.

Trade receivables not covered by credit insurance relate to a limited number of major listed customers in the automotive sector operating worldwide. We consider the probability of a payment default due to the insolvency of these customers to be very low.

3. Liquidity risk

Liquidity risk management ensures the availability of sufficient cash and cost-effective financing through short-term financing tailored to requirements. Due to the dynamic nature of the underlying transactions and the fluctuating liquidity requirements during the year, efforts continue to be made to enable flexible capital availability by providing credit lines that can be utilised at any time.

As at 31 March 2024, the Electrovac Group had committed overdraft facilities totalling EUR 11.1 million. Of these credit lines, EUR 6.8 million had not been utilised as at the reporting date and, together with cash and cash equivalents of EUR 1.2 million, is available to cover liquidity requirements.

The maturity structure of the (original) financial liabilities based on future repayments and interest payments as of the reporting date is as follows:

Maturity analysis as at 31 March 2024

Remaining terms	Up to 1 year	Over 1 year to 5 years	Over 5 years
Long-term financial liabilities			
Long-term loan liabilities	2,608	6,197	442
Long-term liabilities from derivatives			
Other long-term liabilities			
Current financial liabilities			
Trade payables	5,099		
Short-term loan liabilities	7,081		
Current liabilities from derivatives			
Other short-term financial liabilities	969		

4. Price change risk on the procurement market

In addition to conventional metal goods, Electrovac also uses a wide variety of precious and industrial metals such as gold, nickel, cobalt, palladium and silver in the manufacture of its products. Global market prices for these metals have been subject to strong dynamics for some time, accompanied in some cases by high volatility. The Group counters the resulting price change risk with intensive market observation and customer contracts that are adjusted to changes in raw material prices.

Due to the contracts agreed with customers, price changes for gold can be passed on to them in full. The expected annual purchase volume of other precious and industrial metals amounts to approximately EUR 3.4 million (excluding processing fees and alloy surcharges). Price fluctuations for these metals are often not hedged in customer contracts. Considering this value as a risk position and assuming a confidence level of 95%, the aggregate value at risk based on historical data from the past financial year is kEUR 741 (previous year: kEUR 1,165). Correlation effects were not taken into account.

5. Currency risk

Both translation and liquidity-related transaction risks in connection with foreign currencies are classified as low. The Group counteracts the operational EUR/USD currency risk with purchases and sales in foreign currencies of approximately equal value. In the 2023/2024 financial year, there was an average monthly exposure to CNY of kEUR 700. Beyond this, there are no significant currency risks.

H Group governing bodies

1. Executive Board

The following person has been appointed to the Management Board:

Chairman: Dieter Thumfahrt, Klosterneuburg, Austria

Deputy Chairman: Rainer Matzka, Vienna, Austria (resigned as of 31 March 2023)

2. Supervisory Board

The following members of the Supervisory Board of electrovac AG were appointed during the financial year and the accounting period:

- a) Chairman Christian Fürst, Thyrnau, Germany
- b) Deputy Chairman Oliver Mühlberger, Passau, Germany
- c) Martin Wösner, Ruhstorf, Germany

3. Shareholder

- a) Electrovac Holding AG, Chur, Switzerland
- b) Christoph Beutlhauser, Salzweg, Germany
- c) Michael Beutlhauser, Salzweg, Germany

4. Remuneration / Total remuneration

Values in kEUR	Short-term benefits	Post-employment benefits	Other long-term benefits	Benefits upon termination of employment	Share-based payments
Annual remuneration for the 2023/24 financial year					
Management	351	0	0	0	0
Supervisory Board	114	0	0	0	0
Annual remuneration for the 2022/23 financial year					
Management	547	0	0	0	0
Supervisory Board	114	0	0	0	0

I Company law data

The parent company, electrovac AG, with its registered office at Anglstraße 4, 94121 Salzweg, Germany, is a small corporation within the meaning of Section 267 (1) of the German Commercial Code (HGB). It was founded on 26 January 2018. The company is registered in the commercial register of the Passau Local Court under number HRB 10281.

Further information pursuant to Section 315 e HGB:

Number of employees (all companies included in the report):

Average per financial year	31 March 2024	31 March 2023
Industrial employees	434	423
Employees	129	131
Total	563	554

Total auditor's fees broken down by:

in kEUR	Financial years	
	2023/2024	2022/2023
Fee for audit services	122	116
Fees for other assurance services		
Fees for tax advisory services		
Fees for other services	2	3
Total	124	119

Information on group affiliation

As the parent company, electrovac AG, Salzweg, prepares consolidated financial statements for the smallest and largest consolidation group, as the parent company Electrovac Holding AG, Chur, Switzerland, does not prepare its own consolidated financial statements.

The consolidated financial statements of the parent company electrovac AG, Salzweg, will be submitted electronically to the company register and published.

Approval and publication of the consolidated financial statements as at 31 March 2024

The consolidated financial statements and group management report prepared by the Management Board of electrovac AG as at 31 March 2024 will be released for publication upon signature by the Management Board.

Salzweg, 31 August 2024

electrovac AG
Executive Board

Dipl.-Ing. Dieter Thumfart

Appendix: Statement of fixed assets

Consolidated fixed asset schedule		Acquisition and production costs					Depreciation							Carrying amount			
Balance as at		Disposals					Balance as at	Balance as at		Disposals					Balance as at	Status on	Status on
1 April 2022	Additions	Disposals	Closing balance	Transfers	Currency items	31 March 2023	1 April 2022	Additions	Disposals	Closing balance	Transfers	Currency items		31 March 2023	31 March 2023	31 March 2022	
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR		KEUR	KEUR	KEUR	
A. Fixed assets																	
I. Intangible assets																	
1. Concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets																	
5,459,524.63	36,329.64	-71,229.01	0.00	0.00	-61.58	5,424,563.68	-2,111,326.57	-341,800.80	71,229.01	0.00	0.00	48.97		-2,381,849.39	3,042,714.29	3,348,198.06	
7,734,766.16	0.00	0.00	0.00	0.00	0.00	7,734,766.16	0.00	0.00	0.00	0.00	0.00	0.00		0.00	7,734,766.16	7,734,766.16	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
13,194,290.79	36,329.64	-71,229.01	0.00	0.00	-61.58	13,159,329.84	-2,111,326.57	-341,800.80	71,229.01	0.00	0.00	48.97		-2,381,849.39	10,777,480.45	11,082,964.22	
II. Rights of use																	
5,415,130.20	0.00	-2,393,611.87	0.00	0.00	0.00	3,021,518.33	-557,749.43	-106,202.71	0.00	0.00	0.00	0.00		-663,952.14	2,357,566.19	4,857,380.77	
7,596,192.16	0.00	0.00	0.00	0.00	-1,469.03	7,594,723.13	-3,065,243.29	-564,448.25	0.00	0.00	0.00	-5,449.98		-3,635,141.51	3,959,581.62	4,530,948.87	
1,995,380.42	242,718.68	-68,294.22	0.00	0.00	-270.19	2,169,534.68	-999,992.87	-445,816.57	68,293.22	0.00	0.00	138.83		-1,377,377.39	792,157.30	995,387.54	
15,006,702.78	242,718.68	-2,461,906.09	0.00	0.00	-1,739.23	12,785,776.14	-4,622,985.59	-1,116,467.52	68,293.22	0.00	0.00	-5,311.14		-5,676,471.03	7,109,305.11	10,383,717.18	
III Property, plant and equipment																	
1. Land, land-like and buildings, including buildings on third-party land																	
2,347,888.68	114,378.49	0.00	0.00	0.00	-1,634.96	2,460,632.21	-1,372,615.30	-139,684.57	0.00	0.00	0.00	358.91		-1,511,940.96	948,691.25	975,273.38	
45,517,509.26	2,548,018.77	-1,039,255.70	0.00	466,541.87	-25,569.02	47,467,245.18	-29,020,615.52	-2,343,272.37	811,100.48	0.00	-61,568.81	9,287.16		-30,605,069.06	16,862,176.12	16,496,893.74	
8,302,621.54	662,627.56	-468,822.40	0.00	131,669.52	-1,779.65	8,626,316.57	-6,065,278.00	-596,713.62	449,724.58	0.00	11,357.76	1,026.70		-6,199,882.58	2,426,433.99	2,237,343.54	
704,964.09	2,494,390.00	-164,217.93	0.00	-449,138.93	-76.48	2,585,920.75	0.00	0.00	0.00	0.00	0.00	0.00		0.00	2,585,920.75	704,964.09	
56,872,983.57	5,819,414.83	-1,672,296.03	0.00	149,072.46	-29,060.12	61,140,114.71	-36,458,508.82	-3,079,670.56	1,260,825.06	0.00	-50,211.05	10,672.77		-38,316,892.60	22,823,222.11	20,414,474.75	
IV Financial assets																	
1. Shares in affiliated companies																	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
25,500.00	0.00	0.00	0.00	0.00	0.00	25,500.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	25,500.00	25,500.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	
63,000.19	120,631.43	0.00	0.00	0.00	-339.52	183,292.10	0.0	0.00	0.00	0.00	0.00	0.00		0.00	183,292.10	63,000.19	
88,500.19	120,631.43	0.00	0.00	0.00	-339.52	208,792.10	0.00	0.00	0.00	0.00	0.00	0.00		0.00	208,792.10	88,500.19	
V. Investment property																	
1. Land																	
1,894,709.77	0.00	-837,573.13	0.00	0.00	0.00	1,057,136.64	-195,083.87	-37,159.48	0.00	0.00	0.00	0.00		-232,243.35	824,893.29	1,699,625.90	
480,452.58	0.00	0.00	0.00	0.00	0.00	480,452.58	-356,605.04	-26,351.22	0.00	0.00	0.00	0.00		-382,956.26	97,496.32	123,847.54	
2,375,162.35	0.00	-837,573.13	0.00	0.00	0.00	1,537,589.22	-551,688.91	-63,510.70	0.00	0.00	0.00	0.00		-615,199.61	922,389.61	1,823,473.44	
87,537,639.69	6,219,094.58	-5,043,004.27	0.00	149,072.46	-31,200.45	88,831,602.01	-43,744,509.90	-4,601,449.58	1,400,347.29	0.00	-50,211.05	5,410.61		-46,990,412.63	41,841,189.38	43,793,129.79	

Consolidated fixed asset schedule

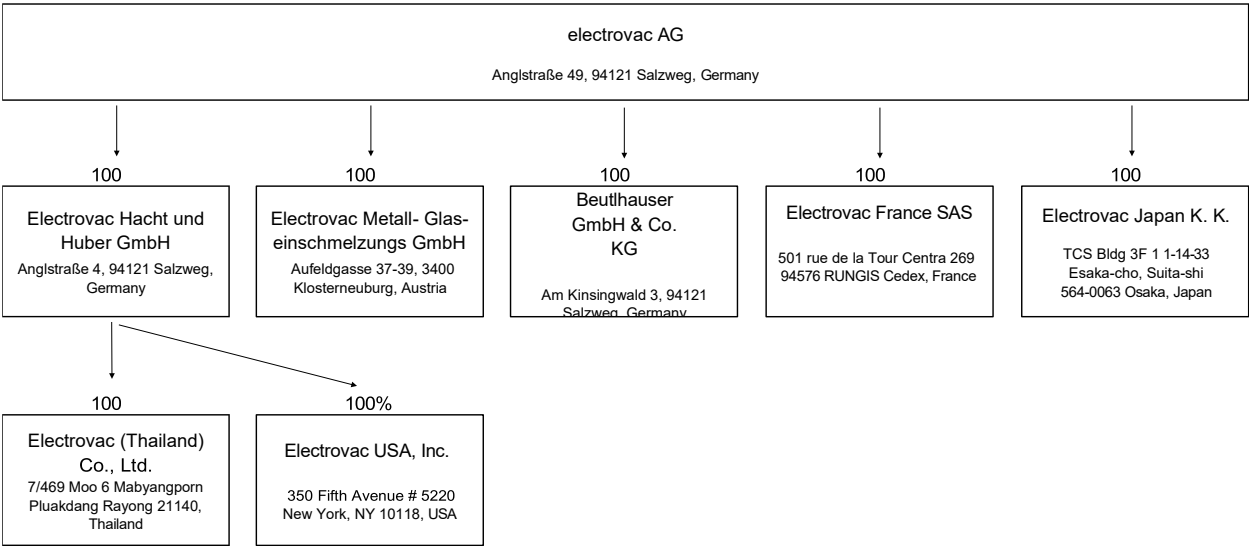
Consolidated fixed asset schedule	Acquisition and production costs					Depreciation					Carrying amount		
	Balance as at					Balance as at	Balance as at				Balance as at	Status on	Status on
	1 April 2023 kEUR	Additions kEUR	Disposals kEUR	Transfers kEUR	Currency items kEUR	31 March 2024 kEUR	1 April 2023 kEUR	Additions kEUR	Disposals kEUR	Currency items kEUR	31 March 2024 kEUR	31 March 2024 kEUR	31 March 2023 kEUR
A. Fixed assets													
I. Intangible assets													
1. Concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets	5,424,563.68	221,585.50	-35,645.02	0.00	-712.13	5,609,792.04	-2,381,849.39	-354,560.38	15,783.71	628.72	-2,719,997.34	2,889,794.69	3,042,714.29
2. Goodwill	7,734,766.16	0.00	0.00	0.00	0.00	7,734,766.16	0.00	0.00	0.00	0.00	0.00	7,734,766.16	7,734,766.16
3. Development costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Advance payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	13,159,329.84	221,585.50	-35,645.02	0.00	-712.13	13,344,558.20	-2,381,849.39	-354,560.38	15,783.71	628.72	-2,719,997.34	10,624,560.85	10,777,480.45
II. Rights of use													
1. Superstructure	3,021,518.33	307,553.17	0.00	0.00	0.00	3,329,071.50	-663,952.14	-177,674.62	0.00	0.00	-841,626.76	2,487,444.74	2,357,566.19
2. Land + buildings	7,594,723.13	0.00	0.00	0.00	-15,828.69	7,578,894.44	-3,635,141.51	-563,043.54	0.00	12,819.05	-4,185,366.01	3,393,528.43	3,959,581.62
3. Other leased assets	2,169,534.68	650,894.82	-56,028.97	0.00	-2,911.32	2,761,489.21	-1,377,377.39	-479,267.82	56,028.97	2,419.99	-1,798,196.24	963,292.97	792,157.30
	12,785,776.14	958,447.99	-56,028.97	0.00	-18,740.01	13,669,455.15	-5,676,471.03	-1,219,985.98	56,028.97	15,239.04	-6,825,189.00	6,844,266.14	7,109,305.11
III. Property, plant and equipment													
1. Land, land-like and buildings, including buildings on third-party land	2,460,632.21	66,154.65	0.00	0.00	-17,616.58	2,509,170.29	-1,511,940.96	-147,688.61	0.00	5,041.83	-1,654,587.73	854,582.56	948,691.25
2. Technical equipment and machinery	47,467,245.18	1,818,456.35	-91,041.06	666,806.56	-294,869.75	49,566,597.28	-30,605,069.06	-2,418,231.63	61,955.00	132,715.01	-32,828,630.68	16,737,966.59	16,862,176.12
3. Other equipment, operating and office equipment	8,626,316.57	269,516.12	-29,581.00	0.00	-20,510.48	8,845,741.20	-6,199,882.58	-556,661.63	29,417.20	15,189.94	-6,711,937.07	2,133,804.14	2,426,433.99
4. Advance payments made and Assets under construction	2,585,920.75	2,153,220.35	-292,226.19	-666,806.56	-14,817.22	3,765,291.13	0.00	0.00	0.00	0.00	0.00	3,765,291.13	2,585,920.75
	61,140,114.71	4,307,347.47	-412,848.25	0.00	-347,814.03	64,686,799.90	-38,316,892.60	-3,122,581.87	91,372.20	152,946.78	-41,195,155.48	23,491,644.42	22,823,222.11
IV Financial assets													
1. Shares in affiliated companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Investments	25,500.00	0.00	0.00	0.00	0.00	25,500.00	0.00	0.00	0.00	0.00	0.00	25,500.00	25,500.00
3. Loans to affiliated companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Other loans	183,292.10	138,272.54	0.00	0.00	-3,669.82	317,894.81	0.00	0.00	0.00	0.00	0.00	317,894.81	183,292.10
	208,792.10	138,272.54	0.00	0.00	-3,669.82	343,394.81	0.00	0.00	0.00	0.00	0.00	343,394.81	208,792.10
V. Investment property													
1. Land	1,057,136.64	107,610.40	0.00	0.00	0.00	1,164,747.04	-232,243.35	-62,166.94	0.00	0.00	-294,410.29	870,336.75	824,893.29
2. Buildings	480,452.58	0.00	0.00	0.00	0.00	480,452.58	-382,956.26	-26,351.22	0.00	0.00	-409,307.48	71,145.10	97,496.32
	1,537,589.22	107,610.40	0.00	0.00	0.00	1,645,199.62	-615,199.61	-88,518.16	0.00	0.00	-703,717.77	941,481.85	922,389.61
	88,831,602.01	5,733,263.90	-504,522.24	0.00	-370,935.99	93,689,407.68	-46,990,412.63	-4,785,646.39	163,184.88	168,814.54	-51,444,059.60	42,245,348.08	41,841,189.38

Group management report for the 2023/2024 financial year

A Basis of the Group

The Electrovac Group is a medium-sized group of companies specialising in the development and manufacture of hermetic enclosures using glass-to-metal sealing technology for a wide range of applications in the fields of electronics, sensor technology and actuator technology. The Electrovac Group's products are used in the automotive industry and in many other sectors, such as aerospace.

The Electrovac Group's scope of consolidation includes the following companies:



The manufactured products, most of which are customised, include bases for airbag igniters, housings for electronic circuits, housings for lithium batteries, and sensor bases and housings. The products are sold worldwide, with the main sales areas being Europe, Asia and the USA. The largest market segment, currently accounting for around 62% of sales, is the automotive industry.

The Electrovac Group is highly vertically integrated in its manufacturing, meaning that many of the components required for the production of hermetic housings are manufactured within the group. These include stamped parts, glass pills and contact pins. Raw materials such as glass, metal strips and other components required for production are purchased from suppliers worldwide.

The Electrovac Group develops new products mostly in collaboration with its customers. This involves, for example, developing and testing new designs or manufacturing processes and bringing them to series production readiness. Another focus is the development of new machines used to manufacture the products.

B Economic report

1. Macroeconomic conditions

According to the European Commission's latest spring forecast, economic growth of 1.0% is expected in the EU for 2024. In 2025, economic output will rise by 1.6%. After a prolonged period of stagnation, moderate growth is therefore expected in the next two years. Almost all EU member states will return to growth in 2024. Inflation (5.4% in 2023) is expected to continue to decline in 2024. It is estimated at 2.1% for 2024.

According to the World Bank, global economic output will rise by 2.6% in 2024 compared to the previous year, with +2.5% expected for the USA, +4.8% for China and +0.7% for the eurozone. The IMF forecast for global GDP growth in 2023 is more positive at +3.2%.

The passenger car market is particularly important for the Electrovac Group. According to the German Association of the Automotive Industry (VDA), a total of 79.5 million passenger cars were produced worldwide in 2023, an increase of 10% over the previous year. From January to July 2024, 4% more passenger cars were manufactured in Germany than in the same period of the previous year. The pre-crisis level of 2019 has still not been reached (-15%). Passenger car sales in the European, Chinese and US markets rose across the board in the first half of 2024 compared with the same period last year (4.4%, 3.3% and 2.1%).

Sources: European Commission, World Bank, International Monetary Fund, German Association of the Automotive Industry.

2. Business performance

In the 2023/2024 financial year, the Electrovac Group generated sales of EUR 87.6 million. The forecast for the 2023/2024 financial year of EUR 91.2 million was therefore not achieved (-4.1%).

Business performance in the automotive sector was 2% below target, while in the other product and customer areas, targets were missed by 6%. In the automotive sector, there was a decline in market demand in the second and third quarters of the financial year compared to the forecast. The sales development in the other product and customer segments is of a consolidating nature, as it must be viewed in conjunction with the positive deviation from plan (+16%) from the previous year.

Cumulative order intake in the 2023/2024 financial year is around 95% of the sales achieved.

The Executive Board is satisfied with the course of business in the past financial year.

3. Earnings

Revenue increased by 2.8% compared to the previous year. Sales performance in the 2023/2024 financial year was characterised by two strong quarters (1 and 4) and weaker business performance from July to December. With sales of EUR 87.6 million (previous year: EUR 85.2 million), manufacturing costs amounted to 86.2% (previous year: 83.9%).

Compared to the previous year, personnel costs (including temporary staff) increased by 6.8%. This increase is mainly due to collective bargaining agreements. Material costs in relation to operating performance (sales plus/minus change in inventories and capitalised own work) remained at around the previous year's level (41%) at 40%. Operating performance itself was 1% lower than in the previous year.

In the 2023/2024 financial year, the Electrovac Group generated gross profit of EUR 12.1 million (previous year: EUR 13.7 million). After deducting expenses for sales, administration and research and development and adding other operating income, the operating result amounted to EUR 4.4 million. This means that the operating result is below the previous year's level (EUR 5.7 million). Increased personnel costs and weaker operating performance are the main reasons for this.

The EBIT margin of approximately 5.7% forecast in the previous year for the past financial year was not achieved, with the actual figure coming in at 5.0%. The expected operating result (EBIT) of EUR 5.2 million was also not achieved.

Profit before tax amounted to EUR 2.5 million (previous year: EUR 4.4 million). In addition to higher personnel costs and weaker operating performance, higher interest expenses explain the difference compared to the previous year.

4. Financial position

The financial position of the Electrovac Group is stable. Our financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment terms.

Equity amounts to EUR 39.5 million. The equity ratio as at 31 March 2024 is 49.0% (previous year: 47.5%). The increase is due, among other things, to profit retention and the offsetting of deferred taxes. Liabilities to banks amount to EUR 15.2 million (previous year: EUR 16.2 million), accounting for 18.9% of total assets as at the balance sheet date of 31 March 2024. Lease liabilities amount to EUR 10.5 million (previous year: EUR 10.7 million). Leasing and financial liabilities account for a total of 32.0% of the balance sheet total.

Of the liabilities to banks, EUR 9.0 million are current liabilities and EUR 6.2 million are non-current liabilities.

As at the balance sheet date of 31 March 2024, the Electrovac Group had cash and cash equivalents of EUR 1.2 million and unused overdraft facilities of EUR 6.8 million. Of the cash and cash equivalents, 44% is in euros, 24% in US dollars, 9% in Thai baht and 23% in Japanese yen. The total available overdraft facilities of EUR 11.1 million are entirely in euros.

The Electrovac Group's planned investments of EUR 4.5 million in the 2024/2025 financial year will be covered primarily by operating cash flow and the utilisation of overdraft facilities.

Please refer to the notes for information on covenants to be fulfilled.

5. Net assets

As at the balance sheet date of 31 March 2024, the total assets of the consolidated electrovac AG, Salzweg, amounted to EUR 80.6 million, roughly the same level as in the previous year (EUR 80.7 million).

Property, plant and equipment are reported at EUR 23.5 million, representing 29.1% of total assets. Investments were mainly made in replacements and expansions in the production areas of the manufacturing companies.

Intangible assets (totalling EUR 10.6 million) consist of trademark and patent rights amounting to EUR 2.9 million and goodwill amounting to EUR 7.7 million.

Furthermore, there are non-current assets in the form of rights of use amounting to EUR 6.8 million and investment properties amounting to EUR 0.9 million.

Current assets are reported at EUR 38.2 million, which is 47.4% of the balance sheet total. Of this, EUR 26.6 million is attributable to inventories and EUR 8.2 million to trade receivables.

Cash and cash equivalents of EUR 1.2 million, available overdraft facilities of EUR 6.8 million and financing through factoring/forfeiting guarantee that all payment obligations can be met.

6. Financial and non-financial performance indicators

The management of the Electrovac Group is kept up to date on business developments throughout the year on the basis of comprehensive controlling and reporting systems. For our internal corporate management, we use not only the most important performance indicators (i.e. turnover and EBIT) but also other key figures (e.g. order intake, order backlog, number of offers submitted, share of turnover with new products, reject rates, process throughput times, etc.) that provide us with information about the current state of the company. In

Regular management meetings are held with the managing directors and division heads of the Group companies to discuss the current situation of the company. The controlling instruments enable management to react to developments at an early stage and initiate appropriate control measures.

Another important performance indicator is staff turnover, which is very low at Electrovac Hacht & Huber GmbH, for example, at an average of 1.8% per quarter. Appropriate processes have been introduced for sustainable resource management, some of which have also been certified externally (e.g. environmental certificate according to DIN ISO 14001 at Hacht & Huber GmbH).

7. Forecasts, anticipated risks and development of the company and opportunities

Our opportunity and risk management aims to secure and increase the corporate value of the Electrovac Group in the long term. Our corporate objectives include the early and successful recognition of opportunities and the identification and appropriate assessment of risks. The analysis and assessment of the Group's opportunities and risks is the subject of ongoing consideration by the Executive Board and the Group's management.

7.1 Forecast

Planning for the financial year from 1 April 2024 to 31 March 2025 was based on fixed orders, framework agreements and delivery forecasts discussed with customers. Consolidated sales are expected to increase by around +7.2% to EUR 93.9 million, largely due to sales expansion. Russian customer orders are not included in the planning.

The assumptions for an average euro to US dollar exchange rate are 1.08. No additional regulatory measures are expected. The existing locations will remain in place and form the basis of the planning assumptions for the 2024/2025 financial year. Investments will be distributed across all production sites according to their size. Investments will mainly be made in the expansion of production facilities and the renewal of infrastructure.

EBIT of EUR 5.9 million is expected at Electrovac Group level in the 2024/2025 financial year. A forecast improvement in operating performance will result in an increase in EBIT compared with the 2023/2024 financial year.

We expect to be able to maintain staff turnover at the low level of previous years in the coming years. We plan to continue our sustainable resource management.

7.2 Risk report

Risks are classified into risk categories A to C based on their probability of occurrence and impact. Category A risks are risks that could jeopardise the Group's existence. Identified category B risks could have a lasting negative impact on the Group's development. All other risks are classified as category C risks.

The following A risks were identified: The Electrovac Group is dependent on the general economic environment. A slump in the global economy due to financial crises, political crises, armed conflicts or health crises may have a significant impact on the planned forecasts for sales or earnings (see sections 1 and 7.1). With the automotive sector accounting for around 62% of its business, the Electrovac Group is heavily dependent on the number of passenger cars produced each year.

The collapse or loss of sales of one of the top customers and a double-digit percentage decline in the number of passenger cars produced were assessed as B risks. Other risks in this class include the loss of a major supplier or the failure of key production facilities or IT systems.

The loss of key employees, project delays in new product launches, currency risks and price fluctuations on the raw materials markets were identified as C risks. The emergence of new competitors in Asia is also considered a C risk.

Appropriate measures are in place for all identified risks. With regard to the A risks "coronavirus" and "war in Ukraine" and the resulting consequences (e.g. energy crisis, inflation), risk management has proven very effective in recent financial years. There were no production losses during the coronavirus pandemic and the financial situation remained very stable at all times. An appropriate response was also made to the consequences of the war in Ukraine. Electricity is currently being procured via the spot market; optional conversion to commodity futures packages is possible. Natural gas is not required for production. Russian customer orders are not included in the planning.

The group of companies is participating in the transformation of the automotive sector with its products. With our product group of housings for the control electronics of automatic transmissions, we are participating in the higher proportion of automatic transmissions in new vehicles, which is also supported by the increasing number of hybrid vehicles. The Electrovac Group's second major product group, housings for airbag igniters, is not directly affected by changes in the powertrain (e-mobility, hybrid technology).

With regard to B risks: the loss of a top customer or main supplier would lead to short-term sales losses if it occurred. To keep this risk low, we continuously try to win new customers and avoid dependence on a few suppliers. We therefore assume that we will be able to compensate for any such loss in the medium term by winning

new customers and alternative suppliers. IT systems run in external data centres.

We attempt to assess risks classified as C risks on an ongoing basis by constantly monitoring and evaluating the market situation, and to minimise these risks or compensate for them quickly by taking appropriate active countermeasures. Employee turnover is very low within the Electrovac Group. Market price risks are partially reduced through hedging. For example, price fluctuations on the raw materials market are partially cushioned by variable sales pricing, and interest rate risks are hedged using derivatives. The current high volatility of raw material prices (precious and industrial metals) represents an increased market price risk for the Electrovac Group (see "G Risk management for financial risks" in the notes to the consolidated financial statements). Further measures to avoid financial risks are described in the section "G Risk management for financial risks" (financial instruments according to IFRS 7).

The Electrovac Group's Executive Board believes that the measures taken mean that the company is well prepared for the occurrence of risks.

7.3 Opportunities report

The opportunities and risks of the Electrovac Group are closely linked. Opportunities are understood to be possible future developments or events that are either already incorporated into the plans or could lead to a positive deviation from the plans.

The Electrovac Group's opportunities also lie in expanding its market share for airbag igniter housings. Overall, we expect average annual sales growth of around 6% over the next three years.

The plant in Thailand also opens up opportunities for labour-intensive products that are difficult to automate.

Further innovations in the field of housings for automatic transmissions and sensor technology in the automotive and non-automotive sectors are creating opportunities to expand the product range.

7.4 Overall statement

Given our financial stability and highly experienced and capable management team, we believe we are well equipped to tackle the challenges ahead. There are currently no identifiable risks that could jeopardise the Group's continued existence. Seizing the opportunities that arise will lead to corresponding organic growth in the medium term.

8. Other information

8.1 Research and development

The Electrovac Group develops new products, mostly in collaboration with its customers. This involves, for example, developing and testing new designs or manufacturing processes and bringing them to series production readiness. Another focus is the development of new manufacturing equipment used to manufacture the products. A development team of around 19 employees is available for this purpose, which also outsources projects or sub-projects. In the past financial year, development activities focused primarily on the automotive and sensor technology sectors, where work was carried out on several projects.

8.2 Branch office report

The Electrovac Group has its headquarters in Salzweg. In addition to the parent company electrovac AG as a holding company, Electrovac Hacht und Huber GmbH and Beuthhauser GmbH & Co. KG are based there as manufacturing units.

Another production site is located in Klosterneuburg, Austria, at Electrovac Metall- und Glaseinschmelzungs GmbH. Electrovac Thailand Co. Ltd. serves as both a production and distribution subsidiary in Thailand. Further distribution subsidiaries are located in France (Electrovac France SAS), Japan (Electrovac Japan) and the USA (Electrovac USA Inc.).

9. Risk reporting on the use of financial instruments

Investment loans from credit institutions are primarily used as long-term financial instruments. In the short term, the company is financed mainly through supplier credits, credit lines from various banks, operating cash flow and forfaiting. Market risks are partially hedged by derivative financial instruments. The primary objective of the company's financial and risk management is to protect the company's success against financial risks of any kind. To this end, all key figures are analysed on a monthly basis in management circles and appropriate measures are decided upon.

Overall, there were no unusual price change, default and liquidity risks or risks from cash flow fluctuations resulting from the use of financial instruments in the reporting year.

Salzweg, 31 August 2024

electrovac AG

Executive Board

Dipl.-Ing. Dieter Thumfart

REPORT OF THE INDEPENDENT AUDITOR

To electrovac AG, Salzweg

AUDIT OPINIONS

We have audited the consolidated financial statements of electrovac AG, Salzweg, and its subsidiaries (the group), which comprise the consolidated balance sheet as of March 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from April 1, 2023, to March 31, 2024 and the notes to the consolidated financial statements, including material accounting policy information.

In addition, we have audited the Group Management Report of electrovac AG for the fiscal year from April 1, 2023, to March 31, 2024.

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

- the accompanying consolidated financial statements comply in all material respects with IFRS as adopted by the EU and with the additional German statutory requirements applicable pursuant to § 315e (1) of the German Commercial Code (HGB) — and, in compliance with these regulations, present a true and fair view of the Group's net assets and financial position as of March 31, 2024, as well as its results of operations for the fiscal year from April 1, 2023, to March 31, 2024, and
- the accompanying Group Management Report presents a true and fair view of the Group's financial position. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities and risks associated with future development.

In accordance with § 322 (3.1), of the German Commercial Code (HGB), we declare that our audit has not given rise to any objections regarding the correctness of the consolidated financial statements and the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under these regulations and standards are described in more detail in the section titled "THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT" of our auditor's report. We are independent of the Group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the consolidated financial statements and the consolidated management report.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with IFRS as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to § 315e (1) of the German Commercial Code (HGB) in all material respects, and for ensuring that the consolidated financial statements, in compliance with these provisions, present a true and fair view of the Group's net assets, financial position, and results of operations. Furthermore, the legal representatives are responsible for the internal controls they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements resulting from fraudulent acts (i.e., accounting manipulation and financial losses) or errors.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters related to the Group's ability to continue as a going concern, if applicable. In addition, they are responsible for preparing the financial statements on a going concern basis, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

In addition, the legal representatives are responsible for preparing the Group management report, which as a whole provides a true and fair view of the Group's financial position and results of operations, is consistent in all material respects with the consolidated financial statements, complies with German statutory requirements, and accurately presents the opportunities and risks associated with future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) they deemed necessary to enable the preparation of a Group Management Report in accordance with applicable German legal requirements and to provide sufficient and appropriate evidence for the statements made in the Group Management Report.

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

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the Group management report as a whole presents a fair overview of the Group's financial position and results of operations, is consistent in all material respects with the consolidated financial statements and with the findings obtained during the audit, complies with German legal requirements, and accurately presents the opportunities and risks of future development, and to issue an audit report containing our opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high level of assurance, but no guarantee that an audit conducted in accordance with § 317 of the German Commercial Code (HGB), in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could reasonably be expected that, individually or in the aggregate, they

would influence the economic decisions of users made on the basis of these consolidated financial statements and the Group Management Report.

During the audit, we exercise due professional judgment and maintain a critical mindset. We also

- identify and assess the risks of material misstatements in the consolidated financial statements and the group management report arising from fraud or error, plan and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements resulting from fraud will not be detected is higher than the risk that material misstatements resulting from error will not be detected, as fraud may involve collusion, fabrications, intentional omissions, misrepresentations, or the circumvention of internal controls.
- obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the arrangements and procedures relevant to the audit of the consolidated management report, in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of the accounting methods applied by the legal representatives, as well as the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- conclude on the appropriateness of the going concern accounting policy applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the consolidated management report or, if such disclosures are inadequate, to modify our audit opinion accordingly. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Group being unable to continue as a going concern.
- evaluate the overall presentation, structure, and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying business transactions and events in such a way that, in accordance with IFRS as adopted by the EU, and the supplementary German legal provisions applicable pursuant to § 315e (1) of the German Commercial Code (HGB), present a true and fair view of the Group's net assets, financial position, and results of operations.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business operations within the Group to express audit opinions on the consolidated financial statements and the Group management report. We are responsible for directing, overseeing, and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- evaluate the consistency of the Group management report with the consolidated financial statements, its compliance with applicable laws, and the picture it conveys of the Group's financial position.
- perform audit procedures regarding the forward-looking statements presented by the legal representatives in the Group Management Report. Based on sufficient and

appropriate audit evidence, we verify, in particular, the significant assumptions underlying the forward-looking statements made by the legal representatives and assess whether the forward-looking statements have been appropriately derived from these assumptions. We do not express a separate audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant and unavoidable risk that future events may differ materially from the forward-looking statements.

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

Munich, 17 September 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

Braunschläger
Auditor

Werner
Auditor

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A Consolidated statement of comprehensive income for the financial years 2022/2023 and 2021/2022

(in kEUR)	Notes	01/04/2022- 31/03/2023	01/04/2021- 31/03/2022
Sales	1	85,249	77,282
Cost of Sales	2	-71,528	-66,097
Gross profit		13,721	11,184
Selling expenses	3	-3,859	-3,548
Administrative expenses	4	-4,126	-3,456
Research and development expenses	5	-957	-1,061
Other operating expenses/income	7	948	961
EBIT		5,726	4,080
Interest income	8	1	0
Interest expenses	8	-1,374	-1,154
Net financial income		-1,372	-1,154
Profit before tax		4,354	2,926
Income taxes	9	-948	-723
Deferred taxes	9	-174	-68
Profit for the year		3,232	2,135
Other comprehensive income			
Reclassified to profit/loss at a later date			
Foreign operations currency-translation differences	20	-36	23
Measured at fair value other comprehensive income	17	1	-4
Not reclassified to profit or loss at a later date			
Actuarial gains/losses	23.1	70	61
Taxes attributable to other comprehensive income		-7	-
Other comprehensive income after tax		28	59
Total comprehensive income		3,261	2,194
of which electrovac AG shareholders		3,261	2,194
of which non-controlling interests		0	0
Earnings per share (basic/diluted) in EUR	20	6.46	4.27
of which electrovac AG shareholders		6.46	4.27

B Consolidated balance sheet as at 31 March 2023, 31 March 2022**Balance sheet as at 31 March 2023****Assets**

(in kEUR)	Notes	31 March 2023	31 March 2022
Non-current assets			
Property, plant and equipment	10	22,823	20,414
Goodwill	12	7,735	7,735
Intangible assets	11	3,043	3,348
Rights of use	13	7,109	10,384
Financial assets	15	209	89
Investment properties	14	922	1,823
Deferred tax assets	9	974	1,100
		42,815	44,893
Current assets			
Inventories	16	26,866	22,827
Trade receivables	17	7,154	8,529
Other assets	18	2,598	2,006
Cash and cash equivalents	19	1,278	1,161
		37,896	34,523
Total assets		80,711	79,415

Balance sheet as at 31 March 2023**Liabilities**

(in kEUR)	Notes	31 March 2023	31 March 2022
Equity			
Issued share capital	20	500	500
Capital reserve	20	29,015	29,015
Profit carried forward	20	-99	-127
Profit for the year	20	8,914	6,109
		38,330	35,497
Non-current liabilities			
Financial Liabilities	22	6,776	6,070
Leasing liabilities	13	9,513	13,783
Liabilities for post-employment benefits	23	2,213	2,476
Deferred tax liabilities	9	1,327	1,274
		19,829	23,603
Current liabilities			
Financial liabilities	22	9,444	8,316
Leasing liabilities	13	1,219	965
Provisions	24	659	688
Trade payables	25	4,437	4,613
Tax liabilities	26	947	1,070
Other liabilities	27	5,846	4,664
		22,552	20,315
Total liabilities		80,711	79,415

C Consolidated cash flow statement as at 31 March 2023, 31 March 2022

(in kEUR)

	Notes	31 March 2023	31 March 2022
Cash flows from operating activities			
Profit for the period		3,232	2,135
Depreciation on property, plant and equipment	10.11	4,601	4,191
Gain from the sale of fixed assets	7	-1	-2
Non-current provisions	23	-291	-486
Financial result	8	1,372	1,154
Tax result	9	948	791
Income tax paid-out	9	-823	33
Other non-cash items		-435	
		8,603	7,816
Cash flow from changes in working capital			
Changes in inventories	16	-4,039	-5,422
Changes in trade receivables	17	1,374	457
Changes in other receivables & prepaid expenses	18	-592	351
Changes in trade payables	25	-176	433
Changes in other liabilities	27	1,078	403
Changes in current provisions	24.26	-30	153
Cash flow from changes in working capital		-2,385	-3,625
Cash flow from operating activities		6,218	4,191
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment	10.11	-5,856	-2,416
Acquisition of financial assets	15	-121	0
Proceeds from asset sales	10.11	411	228
Interest received	8	0	0
Cash flow from investing activities		-5,565	-2,187
Cash flows from financing activities			
Repayments from other non-current liabilities	22	-2,282	-2,340
Recognition of financial liabilities	22	3,644	435
Repayments of lease liabilities	13	-1,028	-871
Change in share capital and retained earnings	20		59
Interest paid	8	-1,343	-1,125
Dividends paid	20		-270
Cash flow from financing activities		-1,009	-4,112
Changes in cash and cash equivalents due to changes in the scope of consolidation			
Cash flow from expansion of the scope of consolidation		0	0
Net change		-355	-2,108
Liquid funds at the beginning of the period	19	-4,969	-2,861
Liquid funds at the end of the period	19	-5,325	-4,969
Total changes of liquid funds		-355	-2,108

D Consolidated Statement of changes in equity

	Notes	subscribed capital	Notes				Balance sheet profit	Group equity sum
			Capital reserve	Profit reserve	Other reserves	Total		
		KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
As at 1 April 2021		500	29,015	0	-186	28,829	4,244	33,573
Capital increase from company funds (+/-)	20							
Cash capital increase (+)	20							
Costs of raising capital (-)	20							
Other items (+/-)	20							
Dividend (-)	20						-270	-270
Effect of initial application of IERS 16 (+/-)	20							0
Total result for the period (+/-)	20				59	59	2,135	2,194
As at 31 March 2022		500	29,015	0	-127	28,888	6,109	35,497
As at 1 April 2022		500	29,015	0	-127	28,888	6,109	35,497
Capital increase from company funds (+/-)	20							
Cash capital increase (+)	20							
Costs of raising capital (-)	20							
Other items (+/-)	20							0
Dividend (-)	20						-427	-927
Total result for the period (+/-)	20				28	28	3,232	3,261
As at 31 March 2023		500	29,015	0	-99	28,916	8,914	38,330

E Notes to the consolidated financial statements

1. The reporting company

The Electrovac Group is an international technology group operating in the field of glass-to-metal feedthroughs, which are used as the basis for the development and manufacture of hermetic enclosures for electronic components. The company develops and manufactures large and small series parts for automotive applications and industrial applications. The products ensure the functionality of electronic components under difficult environmental conditions, such as high temperatures, high pressure, vacuum, oil or moisture.

With more than 70 years of outstanding development, material and technology expertise, Electrovac offers a broad portfolio of high-quality products and intelligent solutions. In cooperation with its customers, the company guarantees a high degree of professionalism and comprehensive know-how in the development of product solutions.

Electrovac is also very well positioned in the international market with several locations and highly automated production of large series products. This enables the company to offer its customers competitive prices. Based on its highly developed manufacturing technologies, the company strategically strives for quality leadership.

The company relies on highly qualified and long-standing employees who support and implement the company's vision of developing high-volume products to high industrial standards and manufacturing them on automated production lines. Its status as the sole supplier to renowned customers is testament to its development and manufacturing expertise.

Glass bushings of all kinds, which are used as insulators in the automotive industry and in a wide variety of industrial applications, form the focus of the production and sales programme. They are produced by the subsidiaries Electrovac H&H (large-scale series production), Electrovac EMG (component, sample and small series production), Beuthauser KG (contact

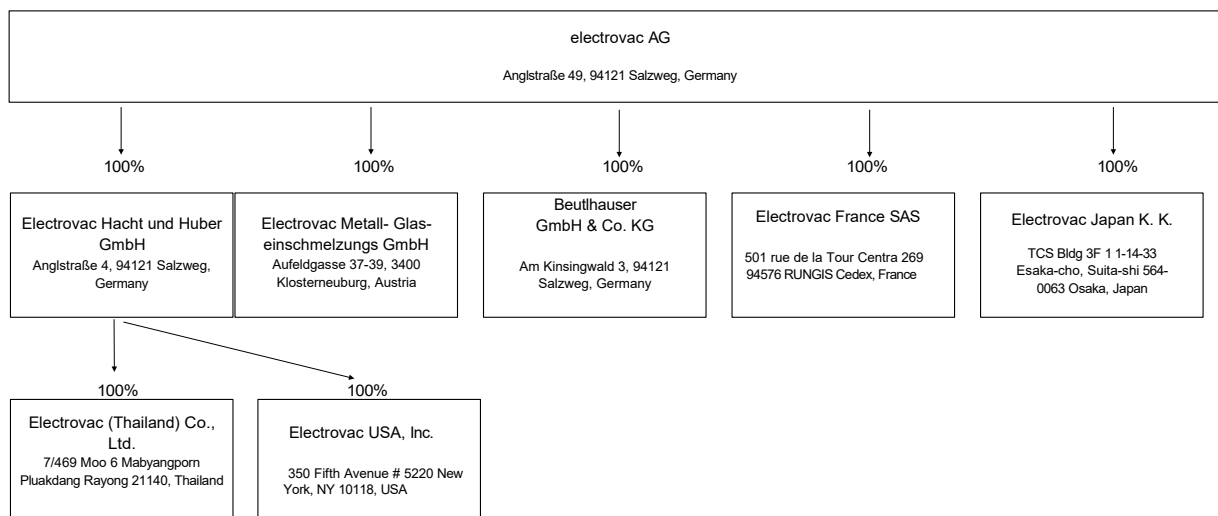
pins) and Electrovac TH (series production for the Asian market).

To support the Group's expansion strategy, the company has subsidiaries in the USA, Japan and France, which focus on the distribution of the Group's product portfolio in their respective target markets.

1.1 Consolidated scope and reporting date

All companies within the Group are fully consolidated. Beutlhauser Verwaltungs GmbH (general partner of Beutlhauser GmbH & Co. KG) is excluded from consolidation as it is not considered material.

The Group structure is as follows:



The consolidated financial statements of electrovac AG for the financial year ending 31 March 2023 continue to include the following companies:

Name of company	Registered office	Share of capital	Initial consolidation date	Consolidation method
electrovac AG	Germany	Parent company	-	-
Electrovac Hacht und Huber GmbH	Germany	100%	31 March 2018	Revaluation method
Electrovac Thailand	Thailand	100%	31 March 2018	Revaluation method
Electrovac USA	USA	100%	31 March 2018	Revaluation method
Beuthauser GmbH & Co. KG	Germany	100%	31 March 2018	Revaluation method
Electrovac Metall-Glaseinschmelzungs GmbH	Austria	100%	31 March 2018	Revaluation method
Electrovac France	France	100%	31 March 2018	Revaluation method
Electrovac Japan	Japan	100%	31 March 2018	Revaluation method

1.2 Basis for preparing the financial statements

The consolidated financial statements of the Electrovac Group are prepared in accordance with Section 315e (3) in conjunction with (1) of the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS) as applicable in the EU. The consolidated financial statements are prepared in accordance with the requirements of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These consolidated financial statements prepared in accordance with IFRS release the Group from the obligation to prepare consolidated financial statements in accordance with German commercial law.

The balance sheet date for all companies included in the consolidated financial statements is 31 March. The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation methods.

The consolidated financial statements are prepared on a going concern basis, which assumes that the Group is able to meet all its payment obligations.

Management is not aware of any significant uncertainties relating to events or conditions that raise substantial doubt about the Company's ability to continue as a going concern.

IFRS 1 was implemented in the course of the first-time application of IFRS as of 31 March 2018. Adjustments from the initial conversion of the national financial statements were recognised in the capital reserve via the contribution values without affecting profit or loss. Consolidation-related effects on earnings, e.g. the elimination of interim profits on inventories, are presented in retained earnings/losses.

1.3 Foreign currency translation and functional presentation currency

Foreign currency transactions during the year are translated at the exchange rate on the date of the transaction. Gains and losses arising from such transactions and translation differences from the measurement of monetary assets and liabilities at the reporting date (subsequent measurement) are recognised in the consolidated statement of comprehensive income.

For consolidation purposes, the annual financial statements of foreign companies are translated into euros using the functional currency concept. All companies operate their businesses independently in economic, financial and organisational terms in their respective local currencies. Assets and liabilities are recognised at the respective closing rate as at 31 March 2023. Equity is measured at the historical exchange rate at the time of initial consolidation. Expenses and income are calculated at the respective average exchange rate for the financial year.

Currency translation differences arising from the translation of the financial statements of foreign subsidiaries are recognised in other comprehensive income and reported in other reserves as currency translation adjustments in equity.

Unless otherwise stated, all financial information presented in euros has been rounded to the nearest thousand.

General exchange rates					
EUR per		<u>2022/23</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2021/22</u>
		<u>Year-end exchange rate</u>		<u>Annual average exchange rate</u>	
US dollar	USD	1.09	1.11	1.04	1.16
Thai baht	THB	37.11	36.91	36.78	37.97
Yen	YEN	144.83	135.17	141.31	130.94

1.4 Consolidation methods

Business combinations are accounted for using the purchase method (revaluation method) if the Group has obtained control. The acquisition costs of the investments are compared with the revalued equity of the respective individual company at the time of acquisition, which is derived from the measurement of the assets and liabilities at fair value. All hidden reserves and hidden liabilities of the acquired company are disclosed as part of the revaluation. Any positive difference resulting from capital consolidation is capitalised as goodwill and tested for impairment at least once a year. In accordance with IFRS 3, any negative difference resulting from capital consolidation is immediately recognised in profit or loss after re-evaluation.

The transaction costs of an equity transaction are recognised as a deduction from equity to the extent that they are additional costs directly attributable to the equity transaction that would otherwise have been avoided. The costs of a discontinued equity transaction are recognised as an expense.

All intra-group transactions, balances and unrealised gains from transactions within the Group are eliminated unless they are of minor significance. Unrealised losses from transactions within the Group are eliminated unless these losses can no longer be covered. The effects of income tax are taken into account in the consolidation process and deferred taxes are deducted.

1.5 Use of judgement and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The following sections list the areas with significant identified judgements, assumptions and estimation uncertainties, as well as the explanatory notes.

A. Discretionary decisions

- Low-value leases (13.2)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that could give rise to a significant risk that a material adjustment to the carrying amounts of assets and liabilities will be required within the financial year ending 31 March 2024 is provided for the following items:

- Subsequent measurement of property, plant and equipment and intangible assets (10, 11)
- Measurement of financial instruments (28)
- Measurement of provisions for warranties and contingent losses (24)
- Measurement of long-term personnel provisions (23)
- Measurement of leases (13)
- Goodwill (12)
- Investment properties (14)

Fair value measurements

A number of the Group's accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities.

Fair value is the price at which an asset would be sold or a liability transferred on the measurement date in an orderly transaction in the principal market or, if none exists, in the most advantageous market to which the Group has access at that time. The fair value of a liability reflects the risk of non-performance.

Management conducts regular checks to determine fair values. This includes monitoring all significant fair value measurements, including fair values of Level

3. Significant unobservable input factors and valuation adjustments are reviewed regularly.

Where available, the Group determines the fair value of an asset or liability based on quoted prices in an active market. A market is considered active if transactions for the respective asset or liability take place with sufficient frequency and volume so that price information is continuously available.

If there are no quoted prices on an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique used incorporates all factors that market participants would consider when pricing such a transaction.

Based on the input factors used in the valuation techniques, fair values are classified into different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Valuation parameters that are not quoted prices included in Level 1, but that can be observed either directly (i.e. as a price) or indirectly (i.e. as a derivative of prices) for the asset or liability
- Level 3: valuation parameters for assets or liabilities that are not based on observable market data.

Information on the assumptions used in determining fair values is provided in notes 14 and 28.

2. Accounting and valuation methods

2.1 Revenue and other operating income

Sale of goods and provision of services in the ordinary course of business

Revenue is recognised in accordance with the five-step model (IFRS 15). Prerequisites include identifiable customer contracts and a determinable amount of consideration. The timing of recognition is linked to the fulfilment of the performance obligation, i.e. the transfer of an asset or the provision of a service. An asset is transferred as soon as the customer obtains control of the asset. Revenue is recognised net of returns, discounts and volume rebates. The delivery agreements concluded with customers vary depending on the region and industry. Consignment warehouse agreements have been concluded with some larger customers.

The companies provide services in the form of contract manufacturing for customers, among other things. Revenue from services is recognised in proportion to the stage of completion at the reporting date (period-related). The stage of completion is determined by assessing the work performed.

Rental income

Rental income from investment property is recognised as other income on a straight-line basis over the term of the lease. As these are leases in which the Electrovac Group acts as the lessor, they are recognised in accordance with IFRS 15.5a under IFRS 16 Leases.

Sample deliveries

The Electrovac Group regularly receives enquiries for new projects from existing and new customers. Feasibility plans are then drawn up in collaboration with the customer during the development phase and, once the order has been placed, sample parts are manufactured, which are subsequently invoiced to the customer as product sales. Any agreed development costs are also invoiced together with the sample parts. Once approved by the customer, the parts go into series production.

These cases also involve separately identifiable goods. Upon delivery of the goods/samples to the customer, the amount becomes due immediately and is paid by the customer upon maturity. No significant financing components are included. The period between performance and payment by the customer is a maximum of 90 days. Such business transactions are therefore recognised as receivables and not as active contract items.

2.2 Employee benefits

Short-term benefits

Obligations arising from short-term employee benefits are recognised as expenses as soon as the associated work is performed. A liability is recognised for the amount expected to be paid if, at the balance sheet date, the Group has a legal or constructive obligation to pay the amount based on work performed by the employee and the obligation can be reliably determined.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the future benefits that employees have earned in exchange for services rendered in the current period and in previous periods. These benefits are discounted to determine their present value. Revaluations are recognised in profit or loss in the period in which they arise.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense as soon as the related work is performed. Prepaid contributions are recognised as an asset to the extent that there is a right to a refund or reduction in future payments.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned in the current period and in previous periods. This amount is discounted.

The calculation of defined benefit obligations is performed annually by a recognised actuary using the projected unit credit method. For each obligation, the present value of the entitlements acquired up to the calculation date is determined in accordance with generally accepted actuarial principles, taking into account future increases in benefits (defined benefit obligations) as well as current service cost and interest cost. This takes into account retirement due to reaching retirement age, occupational disability or death, as well as any survivor's benefits.

Revaluations of the net liability from defined benefit plans are recognised directly in other comprehensive income. The revaluation includes actuarial gains and losses. The Group calculates the net interest expense (income) on the net liability (asset) from defined benefit plans for the reporting period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period. This discount rate is applied to the net liability (asset) from defined benefit plans at that date. Any changes in the net liability (asset) from defined benefit plans resulting from contributions and benefit payments during the reporting period are taken into account. Net interest expense and other expenses for defined benefit plans are recognised in profit or loss.

If the benefits of a plan are changed, the resulting change in the benefit relating to the past service period is recognised in profit or loss. The Group recognises gains and losses arising from the settlement of a defined benefit plan at the time of settlement.

2.3 Financial income and financing expenses

The Group's financial income and financing expenses comprise interest expenses from bank and lease liabilities, interest portions from long-term personnel provisions, unused supplier discounts and interest income from loans granted.

Interest income and interest expenses are recognised in profit or loss using the effective interest method.

2.4 Income taxes

Tax expense generally comprises current and deferred taxes. Current taxes and deferred taxes are recognised in profit or loss, except to the extent that they relate to a business combination or an item recognised directly in equity or other comprehensive income.

Actual taxes are the expected tax liability or tax asset on the taxable income or tax loss for the financial year, based on tax rates that are currently in force or will shortly come into force at the balance sheet date, as well as any adjustments to the tax liability for previous years. The amount of the expected tax liability or tax asset reflects the amount that represents the best estimate, taking into account tax uncertainties, if any. Actual tax liabilities also include all tax liabilities arising as a result of the declaration of dividends.

For an explanation of deferred taxes, please refer to 2.13 Deferred taxes.

2.5 Goodwill

Goodwill arises in business combinations and represents the excess of the consideration transferred for the business contribution over the fair value of the Group's share of the identifiable assets contributed, the liabilities assumed, the contingent liabilities and all non-controlling interests in the contributed business at the date of contribution. With a few exceptions (e.g. tax liabilities, pension obligations, share-based payments), assets, liabilities and contingent liabilities are measured at fair value.

Goodwill has an indefinite useful life and is therefore not amortised. At least once a year, an assessment is made to determine whether there are any indications of impairment. The carrying amount of goodwill is compared with the recoverable amount, i.e. the higher of the fair value less costs to sell and value in use. Any impairment loss is recognised immediately in profit or loss and is not reversed in subsequent periods.

The Group determines the goodwill attributable to the contributed companies using valuation methods based on discounted cash flows. These discounted cash flows are calculated for a three-year period. The cash flows derived from planning are used as a basis for the immediate future. Cash flows are planned on the basis of forecasts of sales, income and expenses based on planned profit and loss accounts for each year of the period under review.

For the three-year period, the Electrovac Hacht und Huber GmbH, Salzweg subgroup, to which a recognised goodwill is allocated, is expected to achieve average annual revenue growth of 6.5%. For the following two years and for the terminal value, an EBIT or cash flow growth rate of 2% p.a. is assumed. The discounted cash flows are calculated using a risk-adjusted interest rate of 7.7%. These assumptions and the underlying methodology can have a significant impact on the respective values and ultimately on the amount of any impairment of goodwill.

For the three-year period, Beuthhauser GmbH & Co. KG, Salzweg, which has recognised goodwill, is expected to achieve average annual revenue growth of 8.1%. For the following two years and for the terminal value, an EBIT and cash flow growth rate of 2% p.a. is assumed. The discounted cash flows are discounted using a risk-adjusted interest rate of 7.4%. These assumptions and the underlying methodology can have a significant impact on the respective values and ultimately on the amount of any impairment of goodwill.

More detailed information on goodwill and impairment tests can be found in the notes under item 12.

2.6 Intangible assets

Acquired patents, trademark rights and software are recognised at their historical acquisition cost. Patents and trademark rights acquired as part of a business combination are measured at fair value on the acquisition date. They have specific useful lives and are measured at their acquisition cost, less accumulated amortisation and impairment losses.

Amortisation is calculated on a straight-line basis over a normal useful life of 10 to 15 years for patents and trademark rights and 3 to 5 years for software. In accordance with IAS 36, intangible assets for which there are indications of impairment and whose present values of future cash inflows are below their carrying amounts are written down to their value in use or fair value less costs to sell. Production units are generally considered to be cash-generating units. If the reasons for such an impairment no longer apply, corresponding write-ups are made up to the amortised cost.

Internally generated intangible assets were not capitalised as the criteria set out in IAS 38 were not met.

2.7 Property, plant and equipment

Property, plant and equipment are valued at acquisition or production cost, less straight-line depreciation and impairment losses. Acquisition costs include the purchase price of the asset, incidental acquisition costs and subsequent acquisition costs. Government grants are recognised using the net method and amortised over the useful life of the asset. The production costs include direct costs as well as an appropriate portion of material and manufacturing overheads. General administrative and selling expenses are not capitalised, nor are borrowing costs that cannot be directly attributed to a qualifying asset. Subsequent acquisition or production costs are only recognised as part of the acquisition or production costs of an asset or as a separate asset if it is probable that the Group will derive future economic benefits from them and the costs of the asset can be reliably determined. Expenses for repairs and maintenance that do not constitute significant replacement investments are recognised as expenses in the consolidated statement of comprehensive income in the financial year in which they are incurred.

Scheduled depreciation is calculated on a straight-line basis using the following useful lives:

Fixed assets Useful lives	Years
Plant and machinery	2 to 15
Operating and office equipment	1 to 25
Motor vehicles	10
Buildings	2 to 54

Land is not depreciated according to a schedule.

The useful lives are determined based on the intended use, physical wear and tear, and past experience.

The residual carrying amount and economic useful lives are reviewed at each balance sheet date and adjusted if necessary. Gains and losses from disposals of property, plant and equipment are determined as the difference between the proceeds from disposal and the carrying amounts of the property, plant and equipment and are recognised under "Other income or expenses" in the statement of comprehensive income.

Land and buildings mainly comprise production, storage and office space. The majority of these are subject to lease agreements. Only Electrovac Metall - Glaseinschmelzungs GmbH, Klosterneuburg, owns real estate for its own use. The valuation is carried out in accordance with IAS 16 using the acquisition cost model.

2.8 Leasing

The accounting treatment of leases (IFRS 16) differs for lessees and lessors. While a risk and rewards approach is envisaged for the lessor, the lessee accounts for the lease using the right-of-use approach. This means that, with a few exceptions, the lessee always capitalises the right-of-use asset and recognises a corresponding lease liability.

Leaseholder regulations are particularly important for the Group. The Group has leased buildings, land, gas equipment and motor vehicles. In accordance with IFRS 16, the exemptions for short-term leases and low-value leased assets are applied. In these cases, there is no direct recognition in the balance sheet; instead, the lease payments are recognised as operating expenses over the term of the lease. The low value of a leased asset is determined by a reference value of EUR 8,000. The application of a possible portfolio approach is currently not being used.

For leases that are not short-term or low-value, the lease liability is first determined. In the course of this, an assessment is made, depending on the class of asset, as to whether non-lease components are included in the remuneration or not. The lease liability is determined using a present value calculation, taking into account a discount rate that represents the incremental cost of debt. The initial measurement of the corresponding right-of-use asset is based on the previously determined lease liability.

Subsequent measurement of lease liabilities is generally based on the effective interest method. This method allows the lease payment to be divided into an interest and a repayment component, taking into account time effects. Subsequent measurement of the right-of-use assets is carried out in accordance with the cost model, i.e. straight-line amortisation is applied over the term of the contract.

The term of the individual leases is determined by the contractually non-cancellable period and any extension and termination options. With regard to the exercise of options, a primarily qualitative assessment is required in each case.

Some of the Group's leases involve variable payments linked to an index. In these cases, the respective lease liability and, subsequently, the right of use are revalued annually. However, the right of use is only adjusted by the difference resulting from the revaluation of the liability.

Lease liabilities and rights of use are presented separately from other assets or liabilities in the consolidated balance sheet. However, this does not apply to investment property within the meaning of IAS 40. Leased assets of this type are also reported as such in the consolidated financial statements.

The Group acts as a lessor to a limited extent in connection with sublease agreements for properties. Based on an assessment of indicators, such subleases are classified as operating leases and lease payments are recognised as operating income in the income statement.

2.9 Borrowing costs

In accordance with the provisions of IAS 23, borrowing costs for the acquisition or production of a qualifying asset must be capitalised. This is also referred to as targeted borrowing.

A qualifying asset is characterised by the fact that a considerable period of time is required to bring it to its intended usable or saleable condition. A qualifying asset is usually recognised for periods of more than 12 months.

The Electrovac Group borrowed funds for this purpose, but no significant period of time was required to bring the asset to a usable or saleable condition. The assets were already in a usable condition at the time of acquisition.

No borrowing costs were capitalised.

2.10 Financial assets

Financial assets, which include the investment in the non-consolidated subsidiary, are measured at cost (see IAS 27). An assessment is made at each balance sheet date to determine whether there is any objective evidence of impairment. Impairment losses are recognised in accordance with IAS 36.

2.11 Investment properties

The investment properties held are buildings and land in the municipality of Klosterneuburg, Austria, which are leased to third parties and not used for operational purposes. The buildings not used for operational purposes are measured at their amortised cost (cost model) in accordance with IAS 40. Please refer to note 14.

2.12 Financial instruments

Financial instruments consist of financial assets (receivables, other assets, loans granted and cash and cash equivalents) and financial liabilities (financial liabilities, trade payables and other liabilities). They are measured in accordance with the provisions of

IFRS 9 and its categories. IFRS 9 contains three basic categories for classifying financial assets: measured at amortised cost (AC), measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL). Financial assets are classified in accordance with IFRS 9 on the basis of the company's business model for managing financial assets and the nature of the contractual cash flows. Derivatives are measured at fair value through profit or loss unless they are designated as hedging instruments in hedge accounting. The Group does not currently hold any derivative financial instruments.

Detailed information on the accounting treatment of financial instruments can be found in note 28 of the explanatory notes.

Financial assets

Other financial receivables and loans are generally measured at amortised cost (AC). Trade receivables are measured at fair value through other comprehensive income (FVOCI) because they are allocated to the hold and sell business model due to forfaiting and factoring agreements.

Since the introduction of IFRS 9, an impairment loss must already be recognised for expected credit losses (ECL). Expected credit losses (ECL) are determined using a risk provision matrix. Credit losses are then recognised as risk provision expenses in the income statement. Value adjustment ratios are based on past experience and forward-looking estimates. Cash and cash equivalents are recognised at cost.

The Group derecognises a financial asset when the contractual rights to the cash flows from an asset expire or when it transfers the rights to receive the cash flows in a transaction that also transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities

Financial liabilities are measured at amortised cost in the Group. These include, in particular, trade payables, liabilities to banks and other financial liabilities.

Financial liabilities are derecognised when the contractual obligations have been fulfilled, cancelled or have expired.

Financial assets and liabilities are offset and reported as a net amount in the balance sheet if the Group has a present, enforceable legal right to offset the recognised amounts and intends either to either settle on a net basis or settle the related liability at the same time as realising the related asset.

Recognition date

The Group recognises loans and receivables and bonds issued from the date on which they arise. All other financial assets and liabilities are recognised for the first time on the trade date when the company becomes a party to the contractual provisions of the instrument.

2.13 Deferred taxes

Deferred taxes are calculated in full using the balance sheet liability method for temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS consolidated balance sheet in accordance with IAS 12.

Furthermore, the probable realisable tax benefit from existing unused tax loss carryforwards is included in the calculation if taxable income will be available in the future and can be utilised. Deferred tax assets, on the other hand, are not recognised if it is not probable that the tax benefit contained therein can be realised. Future taxable profits are determined with the help of temporary differences, which give rise to taxable amounts against which the unused tax losses can also be used. If the amount is not sufficient to fully recognise the deferred tax assets, the future taxable profits are determined on the basis of the individual business plans of the subsidiaries.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the associated tax benefit will be realised; write-ups are made if the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it is probable that future taxable income will enable their realisation.

The tax rates that are valid or bindingly announced on the balance sheet date are used to determine deferred taxes.

	2022/23	2021/22
electrovac AG	27%	27%
Electrovac Hacht und Huber GmbH	27%	27%
Electrovac (Thailand) Co., Ltd.	20%	20%
Electrovac USA Inc.	21%	21%
Beuthhauser GmbH & Co. KG	11%	11%
Electrovac Metall-Glaseinschmelzungs GmbH	23%	25%
Electrovac France SAS	33%	33%
Electrovac Japan K.K.	24%	24%

The measurement of deferred taxes reflects the tax consequences that the Group expects to result from the manner in which it expects to recover the carrying amounts of its assets or settle its liabilities at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if the conditions for doing so are met.

Deferred taxes are not recognised for:

- temporary differences resulting from the initial recognition of goodwill
- temporary differences arising from the initial recognition of an asset or liability that does not arise from a business combination and that affects neither the commercial nor the tax result at the time of the transaction
- temporary differences relating to shares in subsidiaries, provided that the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future

2.14 Inventories

Inventories are valued at the lower of cost or net realisable value. In the case of manufactured products, the cost of production includes an appropriate proportion of production overheads based on normal operating capacity. The net realisable value is

the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated necessary selling costs.

Raw materials and merchandise are valued at moving average prices. The production costs of unfinished and finished goods include all directly attributable costs and proportionate overheads, including depreciation based on normal capacity. Borrowing costs that cannot be allocated to a qualifying asset, as well as administrative and distribution costs, are not included in the cost of production. Storage and procurement costs are also included in the cost of production. Appropriate discounts are taken into account for inventory risks arising from the storage period or limited usability.

Inventories are written down by applying range discounts for materials whose turnover period (average consumption/average inventory) exceeds 12 months. The discounts amount to 75%; for a turnover period exceeding 24 months, they amount to 100%.

2.15 Trade receivables

Trade receivables are amounts due from goods sold or services rendered in the ordinary course of business. Trade receivables are classified as current if they are expected to be collected within one year. Otherwise, they are recognised as non-current receivables.

Trade receivables are initially recognised at fair value plus transaction costs and subsequently measured at fair value through profit or loss. Impairments are recognised in profit or loss. An allowance is made for expected credit losses (ECL) using the simplified approach in accordance with IFRS 9.

Receivables that are between 1 and 90 days past due (stage 2) are impaired using a combination of historical default rates and an adjustment for current and future expected developments in accordance with the following table.

Overdue in days	Historical default rate	Current and future expectations
None	0%	0.1%
1 to 29	0%	0.1%
30 to 59	0%	0.3%
60 to 90	0%	0.6%

The calculation of the value adjustment for overdue amounts > 90 days (level 3) is based on the following table.

Overdue in months Value adjustment

> 3 months	20%
> 6 months	30%
> 12 months	50%

2.16 Acquisition of subsidiaries

Contributed subsidiaries are accounted for using the revaluation method. The acquisition costs correspond to the fair values of the assets transferred, the equity instruments issued and the liabilities incurred or assumed at the transaction date. Acquisition-related costs are recognised as expenses when incurred.

2.17 Financial liabilities

Financial liabilities are initially recognised in the balance sheet at fair value plus transaction costs. Subsequent measurement is at amortised cost. Any premium, discount or other amount between the disbursement and repayment amounts is distributed over the term using the effective interest method and recognised in the financial result.

2.18 Trade payables

Trade payables are recognised at fair value plus transaction costs and are due within one year. These liabilities are measured at amortised cost on subsequent measurement.

2.19 Provisions

A provision must be recognised if the Group has a legal or constructive obligation to third parties that arose in the past, is likely to be required to make a payment in the future, and the amount of this payment can be reliably estimated. Current provisions consist mainly of provisions for warranties and for anticipated losses from pending transactions.

Provisions for warranties are recognised in the balance sheet at the amount required to cover the cost of repairing or replacing products already sold whose warranty period has not yet expired. The calculation of provisions is based on past experience with regard to the probability and amount of future warranty claims.

The long-term portion of a warranty provision is formed for a claim period of more than one year. Provisions for impending losses from pending transactions due to onerous contracts are formed in cases where the expected income from an already concluded contract is lower than the expected expenses.

Provisions for anticipated losses from pending transactions due to onerous contracts are formed for those cases in which the expected income from a contract already concluded is lower than the costs that are necessary in any case to fulfil the obligations under the contract. Before a provision is recognised, the Group recognises any impairment loss on the assets associated with the contract. The valuation is based on full cost.

Non-current personnel provisions consist mainly of provisions for severance payments, anniversary bonuses and partial retirement. As the time and interest effect is not insignificant for non-current provisions, the carrying amounts are recognised at their respective present values. Actuarial gains or losses resulting from the revaluation of defined benefit plans are recognised in other comprehensive income and accumulated in equity under other reserves.

2.20 Government grants

Government grants are only recognised if the Group will comply with the associated conditions and the grants are actually awarded.

Grants that do not relate to assets (performance-related) are recognised in the consolidated statement of comprehensive income in the period in which they arise, either separately or deducted from the corresponding expenses.

Grants for assets are deducted from the carrying amount of the corresponding asset.

3 Reporting in accordance with International Financial Reporting Standards (IFRS)

3.1 New standards and interpretations applied in the current financial year

The following changes will be made in the 2022/2023 financial year:

Standards / Interpretations	Content changes
Amendments to IFRS 3	Reference to the current framework
Amendments to IAS 37	Onerous contracts – Costs of contract fulfilment
Amendments to IAS 16	Revenue before intended use
AIP period 2018 to 2020	Annual improvements

The new changes in accounting are taken into account, but have only an insignificant impact on the consolidated financial statements.

3.2 New standards and interpretations not applied in the current financial year

The following new or amended standards have already been published by the IASB but have not yet become mandatory or been adopted into European law.

Standards / Interpretations / Amendments	Date of publication	Date of transposition into EU law	Effective date (EU)
IFRS 17: New standard on insurance contracts	18 May 17	19 November 21	1 January 23
Amendments to IAS 1: Disclosure of accounting and measurement methods	12 February 21	2 March 22	1 January 23
Amendments to IAS 8: Definition of Accounting Estimates	12 Feb	2 March 22	1 January 23
Amendments to IAS 12: Deferred taxes on the acquisition of an asset or liability (initial recognition exemption)	7 May 21	11 August 22	1 January 23
Amendments to IFRS 17: First-time application of IFRS 17 and IFRS 9	9 Dec 21	8 September 22	1 January 23
Amendments to IAS 12: International Tax Reform – Pillar Two Regulations	23 May	-	1 January
Amendments to IAS 1: Classification of Liabilities as Current or non-current	23 January 20	-	1 January 24
Amendments to IFRS 16: Lease liabilities in sale and lease-back transactions	22 September 22	-	1 January 24
Amendments to IAS 1: Long-term liabilities with covenants	31 Oct 22	-	1 January 24
Amendments to IAS 7 and IFRS 7: Supplier financing arrangements	25 May	-	1 January 24

Various amendments to existing standards are to be applied for financial years beginning after 1 January 2023. However, the Group does not expect any of the changes to have a material impact on the net assets, financial position and results of operations in future consolidated financial statements.

The Group is not exercising the option for early adoption of the amendments. Adjustments will be reflected in the consolidated financial statements in which mandatory application takes effect for the first time.

F Notes to the Consolidated Financial Statements

1. Sales

The sales reported in the consolidated income statement include all revenues resulting from the Electrovac Group's typical business activities. Sales are reported excluding VAT and any other taxes and duties.

Breakdown of revenue by gross/net (in kEUR)

	Financial years	
	2022/2023	2021/2022
Gross sales	85,339	77,404
Reductions in sales	-91	-123
Net sales	85,249	77,282

Compared to the previous year, gross sales increased by 10.3%. Reductions in sales consist of cash discounts granted to customers and expenses for warranty provisions. They amount to approximately 0.1% of gross sales. The Group generates sales from contracts with customers from products that are transferred at a point in time.

Breakdown by organisation (in kEUR)

	Financial years	
	2022/2023	2021/2022
Electrovac H & H	50,181	49,350
Electrovac EMG	16,131	11,692
Electrovac TH	8,831	8,424
Electrovac JP	4,190	2,649
Beuthauser KG	6,007	5,289
Total	85,339	77,404

All companies increased their sales compared to the previous year. Electrovac EMG achieved a significant increase in sales (38% or EUR 4.4 million). This increase is attributable to a significant rise in demand in the area of special applications.

With the exception of Electrovac JP, products manufactured at the respective production sites are also invoiced to our customers from there. Electrovac JP acts as an intermediary between customers in Japan and Thailand and the largest site, Electrovac H&H.

Breakdown by economic area (in kEUR)

	Financial years	
	2022/2023	2021/2022
Europe	53,005	47,216
United States	8,668	8,515
Asia / Far East	22,109	19,282
Other	1,558	2,391
Total	85,339	77,404

The Electrovac Group is primarily active in the export business and generates a large proportion of its sales in Europe and Asia/Far East (88.0%). The increase in Europe reflects, among other things, developments in the field of special applications. The rise in sales in Asia/Far East is broadly in line with the growth potential for our products in that economic region.

2. Cost of Sales

in kEUR	Financial years	
	2022/2023	2021/2022
Changes in inventories	3,113	1,898
Capitalised own work	757	611
Material costs	-36,241	-32,810
Personnel costs for production	-21,972	-20,219
Other direct costs	-5,471	-4,736
Depreciation of production facilities	-3,037	-2,647
Overhead costs	-8,677	-8,193
Total cost of sales	-71,528	-66,097

Changes in inventories reflect changes in inventories of work in progress and finished goods. Positive values indicate an increase in inventories, while negative values indicate a decrease in inventories.

Capitalised own work is recognised in the course of capitalising self-manufactured machinery (at Electrovac H&H and Beuthauser KG) and tools (at Electrovac EMG).

Material costs in FY 2022/2023 amount to 42.5% of sales (previous year: 42.5%). Changes in the material cost ratio are mainly due to fluctuating procurement prices for industrial metals (e.g. nickel, cobalt) and precious metals (e.g. palladium).

Personnel costs are primarily driven by the number of employees and temporary workers. The number of employees plus temporary workers (FTE) in the production areas of the individual Group companies is as follows:

Average per FY	Financial years	
	2022/2023	2021/2022
Electrovac H&H	222	219
Electrovac EMG	110	102
Electrovac TH	29	26
Beuthhauser KG	63	60
Total number of production employees	424	407

The increase in sales revenue and personnel costs is also reflected in part in the development of personnel figures. Furthermore, collective agreements, among other things, have an impact on the level of personnel costs. In the 2022/2023 financial year, an inflation adjustment bonus was paid at the German plants. In Austria, there was a wage increase of 4.8%. In Thailand, wages were increased by approximately 3.0%.

Other direct manufacturing costs include expenses for manufacturing supplies (e.g. oils, tools, chemicals), repairs, energy and other equipment, etc.

Proportionate overheads include costs for production support functions such as quality assurance, process engineering, production management, etc., as well as costs for the use of infrastructure (buildings, heating, waste disposal, etc.).

3. Selling expenses

in kEUR	Financial years	
	2022/2023	2021/2022
Sales personnel expenses	-1,803	-1,690
Freight & commissions	-863	-867
Other costs	-1,193	-992
Total selling expenses	-3,859	-3,548

The Electrovac Group maintains its own sales departments at its locations in Germany, Austria, France, Japan and the USA. In addition, there are contracts with industrial and commercial agencies.

The increase in other costs in the 2022/2023 financial year is mainly due to higher trade fair, travel and representative costs. This effect should be understood in particular against the backdrop of economic normalisation following the coronavirus pandemic.

Other costs include expenses for travel, company cars, advertising, marketing, trade fairs, product liability insurance, etc.

4. Administrative expenses

in kEUR	Financial years	
	2022/2023	2021/2022
Personnel expenses, administration	-1,898	-1,797
Other costs	-2,229	-1,659
Total administrative costs	-4,126	-3,456

The increase in other costs is mainly attributable to consulting services used by electrovac AG.

Other costs include expenses for travel, company cars, fees, membership fees, consulting, annual audits, various insurance policies, bank charges, general administration, etc.

5. Research and development expenses

in kEUR	Financial years	
	2022/2023	2021/2022
Personnel costs development	-809	-851
Other direct costs	-148	-210
Total research and development costs	-957	-1,061

We maintain our own development departments at the Electrovac H&H and Electrovac EMG sites, whose main task is to develop customer enquiries to series production readiness.

The lower personnel costs compared to the previous year are due to fluctuation effects.

Other costs include expenses for travel, patents, test materials, technical consulting, etc.

6. Employee benefits

Total personnel expenses and benefits to our own employees are broken down as follows:

in kEUR	Financial years	
	2022/2023	2021/2022
Wages and salaries	-23,272	-21,885
Social security contributions	-4,925	-4,712
Defined contribution pension plans	-142	-138
Expenses for defined benefit plans and other long-term	-180	-112
Benefits due		
Other voluntary social benefits	-232	-335
Total employee benefits	-28,751	-27,182
Expenses for temporary workers	-1,413	-993
Total personnel expenses	-30,164	-28,175

The number of employees and the annual wage increase described in section 2 are the main factors influencing the amount of personnel expenses.

The number of all employees, including temporary workers, is as follows:

Full-time equivalents including temporary staff Average per financial year	Financial years	
	2022/2023	2021/2022
Electrovac H&H	278	275
Electrovac EMG	135	125
Electrovac TH	40	36
Beuthhauser KG	81	78
Electrovac JP	2	2
Electrovac FR	2	2
Electrovac USA	1	0
Total number of employees	539	518

The higher personnel costs compared to the previous year are due to a higher headcount and one-off payments made to compensate for inflation.

7. Other operating expenses/income

Other expenses and income are broken down into the following items.

in kEUR	Financial years	
	2022/2023	2021/2022
Rental income	438	352
Income from reversal of RST/WB	62	54
Income from claims	55	53
Income from asset disposals	1	2
Income from exchange rate differences	310	150
Other income	575	615
Expenses from exchange rate differences	-439	-118
Other expenses	-53	-147
Other operating expenses/income	948	961

Rental income comes from leased premises in Electrovac EMG's investment properties.

In the 2022/2023 financial year, special effects in the form of subsidies were recognised in other income. Energy subsidies amounted to kEUR 86 and research grants to kEUR 242 (previous year: kEUR 125). At the plant in Thailand, recycling recoveries were recognised in other income.

Other expenses mainly comprise expenses relating to other periods and allowances for doubtful debts.

In addition, consolidation effects from the consolidation of expenses and income as well as the consolidation of liabilities are shown in other income and expenses.

The balance of exchange rate differences amounted to kEUR 32 in the previous year and kEUR -129 in the 2022/2023 financial year.

8. Financial result

Financial income results from interest income on credit balances in bank accounts to a minor extent.

Financing expenses are broken down as follows:

in kEUR	Financial years	
	2022/2023	2021/2022
Interest expense for loans	-518	-380
Interest expense for provisions	-31	-29
Interest expense for leasing	-675	-687
Interest expense for factoring	-105	-24
Unused supplier discounts	-46	-34
Total financing expenses	-1,374	-1,154

Interest expenses for provisions relate to non-current provisions (see also note 23).

Discounts granted by suppliers but not utilised are not reported under material expenses, but under financing expenses.

9. Income taxes / deferred taxes

Income taxes are allocated to the individual companies according to their annual results as follows:

in kEUR	Financial years	
	2022/2023	2021/2022
electrovac AG	-25	-109
Electrovac H&H	-278	-335
Electrovac EMG	-509	-178
Beuthauser KG	-134	-100
Electrovac TH	0	0
Electrovac JP	0	-1
Electrovac FR	0	0
Electrovac USA	-1	0
Total	-948	-723

The lower figure reported by electrovac AG compared to the previous year is due to a refund for earlier assessment periods (kEUR 64).

The expense or income from the change in deferred taxes is distributed among the individual companies as follows:

in kEUR	Financial years	
	2022/2023	2021/2022
electrovac AG	5	20
Electrovac H&H	-24	-45
Electrovac EMG	-7	-32
Beutlhauser KG	3	14
Electrovac TH	-83	-39
Consolidation	-67	15
Total	-174	-68

Deferred taxes arise primarily from different valuation approaches for fixed assets and from the capitalisation of rental and leasing transactions. The data shown in the table reflects the effects on earnings of deferred taxes resulting from changes from one financial year to the next. The figures reported in the consolidation section are derived from the effects on earnings of the elimination of intercompany profits in inventories.

The allocation of deferred taxes to individual balance sheet items shows the following development from FY 2021/22 to FY 2022/23:

2022/2023 in kEUR	Net balance as at 1 April 2022	Recognised in profit or loss	FX effect	Recognised in other comprehensive income	Net balance as at 31 March 2023	Deferred tax assets	Deferred tax liabilities
Employee benefits / ownerous	247	-69	0	-16	163	163	
Rights of use	-3,149	1,122			-2,027		-2,027
Lease liability	3,820	-1,097			2,722	2,722	
Property, plant and equipment / Investment properties	-1,331	-62	-2		-1,392		-1,392
Inventories	104	-58	0		45	45	
Other receivables	0	0			0	0	
Provisions / accrued liabilities	138	-7			131	131	
Accrued proceeds from disposal	0	0			0	0	
Adjustment to other reserves	-4	0		9	5	5	
Costs of raising capital	0	0			0	0	
Capitalisation of loss carryforwards	0	0			0	0	
Offsetting						-2,092	2,092
Tax receivables/payables	-174	-171	-2	-7	-353	974	-1,327

No deferred tax liabilities were recognised for temporary differences relating to shares in subsidiaries amounting to kEUR 1,226 (outside base differences).

No deferred taxes were recognised for the start-up loss carryforwards totalling kEUR 2,965 incurred by Electrovac TH from 2015/2016 to 2022/2023, as the company enjoys income tax exemption until at least the end of 2024, which is expected to be extended for eight years. The losses expire after 5 years of tax exemption.

The tax reconciliation is presented below. The actual and deferred tax expense is reconciled based on the product of the balance sheet earnings before tax and the applicable tax rate:

Financial years				
Values in kEUR		2022/2023		2021/2022
Profit before taxes		4,354		2,926
Taxes based on the company's domestic tax rate	27.00%	1,176	27.00%	790
Tax rate effects of foreign tax jurisdictions	-1.74%	-76	-0.44%	-13
Tax rate reduction	-0.51%	-22	-2.53%	-74
Effect of share in financial assets accounted for using the equity method	0.00%	0	0.00%	0
Non-deductible expenses	0.81%	35	0.98%	29
Tax-exempt income	-0.82%	-36	-1.88%	-55
Tax relief	0.00%	0	0.00%	0
Losses for the current year for which no deferred tax asset has been recognised	0.00%	0	0.05%	2
Recognition of tax effects of previously unrecognised tax loss carryforwards	0.00%	0	-0.43%	-13
Other and aperiodic differences	2.34%	102	3.50%	103
Changes in estimates from previous years	-1.32%	-58	0.79%	23
Actual and deferred tax expense	25.76%	1,122	27.03%	791

10. Property, plant and equipment

Property, plant and equipment comprise the following:

Financial years		
in kEUR	2022/2023	2021/2022
Land and buildings	949	975
Technical equipment and machinery	16,901	16,521
Operating and office equipment	2,388	2,213
Assets under construction	2,279	541
Advance payments on fixed assets	307	164
Total property, plant and equipment	22,823	20,414

The item "Land and buildings" includes fixtures and infrastructure belonging to Electrovac H&H, Beutlhauser KG and buildings belonging to Electrovac EMG, as well as improvements to the leased production hall belonging to Electrovac TH.

Technical equipment and machinery refers to manufacturing and production machinery. The range of manufacturing equipment includes electric continuous furnaces, electroplating systems, various special machines for mechanical processes and optical testing processes, machines for the non-cutting and cutting production of metal parts, tools for stamped parts and various toolmaking machines.

The equipment under construction consists of production equipment and punching tools manufactured in-house. In addition to direct costs, the manufacturing costs also include appropriate portions of material and manufacturing overheads. General administrative and sales expenses are not capitalised.

The increase in the value of assets under construction compared with the previous year is due to investments in machinery for the plant in Thailand (kEUR 1,508).

The item "Operating and office equipment" comprises small and measuring devices for production, office, warehouse and production equipment, IT systems, etc.

Depreciation of assets is generally recognised in production costs or, if used in research and development or sales, in research and development expenses or sales expenses. Depreciation for the financial years is shown in the statement of changes in fixed assets.

The property, plant and equipment pledged as collateral as at 31 March 2023 were:

- Production machinery of Beutlhauser KG in the course of hire purchase loans at a nominal value of kEUR 3,386 (previous year: kEUR 3,887).
- Various production facilities of Electrovac H&H to secure an overdraft facility and KfW and investment loans at a nominal value of kEUR 3,375 (previous year: kEUR 3,375).
- Electrovac EMG production machinery for an investment loan and ERP loan with a nominal value of kEUR 998 (previous year: kEUR 998).

In the 2022/2023 financial year, Electrovac H&H was granted an investment subsidy (kEUR 285) for three production machines, which was offset against the acquisition costs in accordance with IAS 20. As at 31 March 2023, there is a carrying amount of investment subsidies of kEUR 450, which reduces property, plant and equipment.

Beutlhauser KG has also been granted several subsidies for assets in accordance with IAS 20 in recent years. The grants are earmarked and are paid out to co-finance measures to rationalise the Beutlhauser KG site in Salzweg. As at 31 March 2023, the carrying amount is kEUR 48. This has been recognised as a reduction in property, plant and equipment.

11. Intangible assets

The development of intangible assets is as follows:

in kEUR	Financial years	
	2022/2023	2021/2022
Intangible assets	3,043	3,348

Intangible assets comprise software licences, patents and trademark rights. Software licences are amortised over a period of between 3 and 5 years, patents over 10 years and trademark rights over 15 years. Patents were registered at electrovac AG and Electrovac H&H to protect specific manufacturing methods. Their residual book value is kEUR 67. The residual book value of the trademark rights held by electrovac AG is kEUR 2,870. The trademark rights and patents of electrovac AG are pledged (see note 22).

Internally generated intangible assets are not capitalised as the criteria set out in IAS 38 are not cumulatively met. Development costs are therefore recognised immediately as an expense in profit or loss in the year in which they are incurred.

Amortisation of intangible assets is recognised in production costs or, if they are used in other functional areas, under selling expenses, administrative expenses or research and development expenses. Amortisation for the financial years is shown in the statement of changes in non-current assets.

12. Goodwill

Goodwill arises primarily from the contribution of the subsidiaries Electrovac Hacht and Huber GmbH as a subgroup with the sub-subsidiaries Electrovac Thailand Co., Ltd. and Electrovac USA Inc. and Beutlhauser GmbH & Co. KG and was calculated as follows as at 31 March 2018:

	kEUR
Acquisition costs of the business contribution	24,527
Fair value of net assets	-16,792
Goodwill	7,735

The individual presentation of goodwill was as follows:

Company	Electrovac H&H	Electrovac Thailand	Electrovac USA	Electrovac Japan	Beuthhauser KG	Total
Cash	291,812	355,580	14,720	284,937	198	947,247
Other tangible/intangible VW	26,243,773	5,817,898	0	16,996	5,431,428	37,510,095
Receivables	13,334,948	569,415	9,739	291,163	505,584	14,710,848
Debts	24,155,614	6,784,948	0	288,698	5,147,188	36,376,448
Transferred consideration	15,499,434	1,619,077	12,360	335,873	7,059,764	24,526,508
Non-controlling interests	0	0	0	0	0	0
Fair value of the already held Ant	0	0	0	0	0	0
Fair value Net assets	-15,714,919	42,055	-24,459	-304,397	-790,022	-16,791,742
	-215,485	1,661,132	-12,099			
Goodwill		1,433,548		31,476	6,269,742	7,734,766

Goodwill mainly results from the skills and professional talents of the experienced workforce, which has been with the company for many years, and the expected synergies from the integration of the companies into the Group. No deferred taxes are recognised on temporary differences in goodwill in accordance with IAS 12.15(a) in conjunction with IAS 12.21.

The impairment test as at 31 March 2023, in accordance with IAS 36.90, concludes that the recoverable amount of the individual cash-generating units (production units) exceeds their respective carrying amounts. This result also holds true after the additional sensitivity analysis (change in interest rate of +/- 1%, change in free cash flow by +/- 20%).

As a result, the goodwill of kEUR 7,735 reported as at 31 March 2022 will also be reported at the same amount as at 31 March 2023.

13. Leasing

13.1 Rights of use

The breakdown of rights of use from leases (in kEUR) is as follows:

	Land	Buildings	Technical equipment	Motor vehicles	Total
Acquisition costs					
As at 1 April 2022	5,415	6,400	1,602	394	13,811
Additions				49	49
Disposals				-68	-68
Revaluations	-2,394		194		-2,199
FX effect		-1		-1	-2
as at 31 March 2023	3,021	6,399	1,796	373	11,590
Depreciation					
Cumulative as of 1 April 2022	558	1,868	840	160	3,426
in the financial year	106	565	346	100	1,117
Revaluations		6			6
Disposals				-68	-68
Net book value as at 31 March 2023	2,358	3,959	610	182	7,109

	Land	Buildings	Technical facilities	Motor vehicles	Total
Acquisition costs					
As at 1 April 2021	5,317	6,251	1,020	317	12,904
Additions				142	142
Disposals				-64	-64
Revaluations	98	0	582		831
FX effect		-1	0	-1	-2
as at 31 March 2022	5,415	6,400	1,602	394	13,811
Depreciation					
Cumulative as of 1 April 2021	459	1,303	553	128	2,443
in the financial year	99	567	286	97	1,049
Revaluations					0
Disposals				-64	-64
Net book value as at 31 March 2022	4,857	4,531	763	234	10,384

The Group presents rights of use separately from other assets in the balance sheet. This does not include rights of use that fall within the scope of IAS 40. These are reported under the balance sheet item "Investment property". At Electrovac EMG, leased land is sublet in this context.

The decrease in the carrying amount compared with the previous year is due to a revaluation of the term of the existing lease agreement at Electrovac EMG.

13.2 Leasing at consolidated statement of comprehensive income

in kEUR	2022/2023	2021/2022
Amortisation of rights of use	-1,117	-1,047
Interest expenses from lease liabilities	-675	-687
Expenses for low-value leased assets	-56	-52
Expenses for short-term leases	-42	-35
Expenses for ancillary costs	-57	-56

Variable lease payments that are not linked to a price or index, or non-lease components that are not taken into account when determining lease liabilities, were incurred in the form of ancillary costs for leased properties. The low value of a leased asset is determined by a reference value of EUR 8,000. Rental income generated in connection with rights of use that are reported as investment properties is explained in section 14.

13.3 Lease liabilities

Lease liabilities are presented below by maturity and term:

as at 31 March 2022	Up to 1 year kEUR	1 to 5 years kEUR	Longer than 5 years kEUR	Total kEUR
Electrovac EMG				
Undiscounted payments	390	1,472	15,065	16,928
Interest expense	294	1,143	7,929	9,366
Present values	97	329	7,136	7,562
Electrovac H&H				
Undiscounted payments	686	1,912	2,537	5,135
Interest expense	271	913	728	1,913
Present values	415	999	1,808	3,222
Electrovac TH				
Undiscounted payments	61	103		163
Interest expense	4	3		7
Present values	57	100	0	156
Beuthhauser KG				
Undiscounted payments	501	2,098	1,707	4,306
Interest expense	104	303	91	498
Present values	397	1,795	1,616	3,808
Total lease liability as at 31 March 2022	965	3,223	10,560	14,748
 as at 31 March 2023	 Up to 1 year kEUR	 1 to 5 years kEUR	 Longer than 5 years kEUR	 Total kEUR
Electrovac EMG				
Undiscounted payments	411	1,507	3,630	5,548
Interest expense	156	533	645	1,334
Present values	256	973	2,985	4,214
Electrovac H&H				
Undiscounted payments	745	1,771	2,145	4,661
Interest expense	258	850	542	1,649
Present values	487	922	1,603	3,012
Electrovac TH				
Undiscounted payments	57	41		98
Interest expense	2	1		3
Present values	55	40	0	95
Beuthhauser KG				
Undiscounted payments	515	2,135	1,154	3,805
Interest expense	94	254	46	394
Present values	422	1,881	1,108	3,411
Total lease liability as at 31 March 2023	1,219	3,816	5,696	10,732

New lease liabilities or lease liabilities that are measured at a changed interest rate in accordance with IFRS 16.41 are discounted using a weighted average marginal borrowing rate of 3.71% (previous year: 3.00%). Any changes to a reference index that form part of future remuneration in connection with leases are not presented in future payments.

Most leases include extension options for the Group. If there is sufficient certainty that an option will be exercised, the adjustment to the term is taken into account in determining the lease liability. There are no agreed residual value guarantees.

The decrease in the carrying amount compared to the previous year is due to a term revaluation of the existing lease agreement at Electrovac EMG.

13.4 Sale and leaseback

In the 2017/2018 financial year, Electrovac H&H sold its developed commercial properties to Beutlhauser Beteiligungs GmbH and then leased them back. The right of use resulting from the transaction is amortised over the basic lease term of 15 years. At the end of the basic lease term, the tenant has an option to extend the lease for 10 years at a time. According to an expert opinion, the sale price of kEUR 2,600 from the transaction represented the fair value (category 3). The gain on the sale is recognised through reduced depreciation in the course of an adjustment to the carrying amount of the corresponding right of use.

14. Investment properties

Electrovac EMG holds land and buildings as financial investments. Investment properties are initially measured at acquisition or production cost and subsequently measured using the cost model. In accordance with IFRS 16, investment properties also include land that the Group holds in the form of a right of use as a lessee:

in kEUR	Investment properties	of which leased
Acquisition costs		
As at 1 April 2022	2,375	1,895
Additions		
Disposals		
Revaluations	-838	-838
as at 31 March 2023	1,538	1,057
Depreciation		
Cumulative as at 1 April 2022	552	195
in the financial year	64	37
Revaluations		
Disposals		
Net book value as at 31 March 2023	922	825

	Investment properties	of which leased
Acquisition costs		
As at 1 April 2021	2,341	1,860
Additions		
Disposals		
Revaluations	34	34
as at 31 March 2022	2,375	1,895
Depreciation		
Cumulative as at 1 April 2021	491	160
in the financial year	61	35
Revaluations		
Disposals		
Net book value as at 31 March 2022	1,823	1,700

The revaluation effect shown in the 2022/2023 financial year results from an adjusted term valuation in accordance with IFRS 16 (see note 13).

In the past financial year, Electrovac EMG recognised the following income and expenses from investment properties in profit or loss:

in kEUR	Financial years	
	2022/2023	2021/2022
Rental income	438	352
Direct operating expenses (proportionate lease)	-70	-66
Operating costs charged (included in rental income)	-108	-92
Result from investment properties	260	194

The fair value of investment property as at 31 March 2023 (31 March 2022) is kEUR 5,531 (kEUR 4,145). The fair value is not based on an expert opinion. The fair value (category 3) is determined using a present value calculation, whereby the updated annual income from investment properties is discounted over the remaining useful life of 49 (50) years at an interest rate of 4%. The interest rate and remaining useful life are based on the lease agreement that Electrovac EMG has concluded for the rental of land.

15. Financial assets

Long-term financial assets include Beutlhauser GmbH & Co. KG's investment in Komplementär Beutlhauser Verwaltungs GmbH, Salzweg, amounting to kEUR 26. The company's equity as at 31 March 2023 amounts to kEUR 55, with a 100% share in capital. The net income for the financial year from 1 April 2022 to 31 March 2023 amounted to kEUR 1.

In addition, savings and security deposits from Electrovac TH and a loan of kEUR 120 are reported here.

16. Inventories

Inventories are composed as follows:

in kEUR	Financial years	
	2022/2023	2021/2022
Raw materials, consumables and supplies	17,049	16,344
Work in progress	8,334	6,101
Finished products and merchandise	6,861	5,238
Gross inventories	32,244	27,682
less value adjustments for inventories	-5,378	-4,855
Net inventories	26,866	22,827

In accordance with IAS 2, inventories include assets held for sale in the ordinary course of business (finished goods and merchandise), assets in the process of production for sale (work in progress) or assets consumed in the production of goods or the provision of services (raw materials and consumables).

The higher inventory compared to the previous year is due to adjustments in safety stocks, new product launches and sales development.

Raw materials, components and changes in inventories of finished goods and work in progress recognised as expenses in cost of sales amounted to kEUR 32,575 in the 2022/2023 financial year (previous year: kEUR 30,854).

Impairments and reversals of impairments of inventories included in cost of sales, for example due to price differences, and additional expenses for material destruction and individual value adjustments amounted to kEUR -553 in the 2022/2023 financial year (previous year: kEUR -58). The difference compared to the previous year is mainly due to reporting date effects at Electrovac H&H and Electrovac EMG in the course of the usual impairment test. The methodology for value adjustments is explained in section 2.14.

Electrovac H&H's inventories have been assigned as collateral for overdraft facilities to the financing house banks.

17. Trade receivables

Trade receivables are due within one year and are composed as follows (in kEUR):

	Financial years	
	2022/2023	2021/2022
Trade receivables	7,235	8,664
FX effect	-14	8
Value adjustment for irrecoverable and doubtful receivables	-58	-127
Value adjustment for expected losses in accordance with IFRS 9	-7	-13
FVOCI measurement	-2	-4
Total trade receivables	7,154	8,529

The opening balance for trade receivables includes effects from factoring and forfaiting in the amount of kEUR 5,401 (previous year: kEUR 3,632).

The general credit risk is taken into account by a valuation allowance for expected losses in accordance with IFRS 9. Receivables that are not past due are anticipated on the basis of historical default rates (kEUR -7). Individual valuation allowances are made on a case-by-case basis and as required (kEUR -58).

The Group's experience to date with regard to the recoverability of receivables is reflected in the calculation of the value adjustment. Management assumes that there are no default risks for receivables that exceed the value adjustments.

The overdue receivables are as follows:

	Gross balance (in kEUR)	of which the balance sheet date (in kEUR)	adjusted in accordance with stage 2 (ECL)	Adjusted in accordance with stage 3 (ECL)	Of which past due on the balance sheet date in the following time bands (in kEUR)					
					Overdue 1-30	Overdue 31-60	Overdue 61-90	Overdue 91-180	Overdue 181-360	Overdue > 360
Trade receivables and services	7,235	6,387	-7	-58	869	-56	-14	78	112	-140
as of 31 March 2023	7,235	6,387	-7	-58	869	-56	-14	78	112	-140
Trade receivables and services	8,664	7,362	-13	-127	779	400	25	-7	56	49
as of 31 March 2022	8,664	7,362	-13	-127	779	400	25	-7	56	49

With regard to trade receivables that are neither impaired nor past due, there are no indications as of the reporting date, as in the previous year, that the debtors will not meet their payment obligations.

In the previous financial year 2021/2022, trade receivables were reclassified to the "hold and sell" business model. The reclassification requires a differentiated subsequent measurement of this balance sheet item. The subsequent measurement is carried out at fair value through other comprehensive income (FVOCI).

Electrovac H&H began forfeiting financing in the 2021/2022 financial year, which was intensified in the 2022/2023 financial year. Receivables are selectively tendered. The receivables previously assigned as collateral for overdraft facilities were released. In addition, reverse factoring agreements exist with two major customers.

Furthermore, Beuthauser GmbH & Co. KG and Electrovac EMG also sell trade receivables as part of factoring financing.

18. Other assets

Other assets (in kEUR) are composed as follows:

	Financial years	
	2022/2023	2021/2022
Tax receivables	864	781
<i>of which VAT receivables</i>	857	440
Other assets	1,441	979
Prepaid expenses	293	245
Total other assets	2,598	2,006

Of the tax receivables, kEUR 857 are VAT receivables (previous year: kEUR 440).

Other assets include accounts payable, advance payments for inventories and reimbursement claims. Advance payments made shortly before the reporting date for raw materials, consumables and supplies at Beuthauser KG account for the increase compared with the previous year. Other assets include financial assets amounting to kEUR 106.

Accruals mainly relate to rent and insurance payments.

19. Cash and cash equivalents

Means of payment are recognised in the balance sheet at acquisition cost. They comprise cash on hand and demand deposits or cash advances with a maturity of up to three months. Overdraft facilities are also reported as current financial liabilities under current liabilities (see note 22).

in kEUR	Financial years	
	2022/2023	2021/2022
Bank balances	1,278	1,161
Overdraft facilities	-6,603	-6,131
Total cash and cash equivalents	-5,325	-4,969

20. Equity

The share capital of electrovac AG is divided into 500,000 no-par value shares with a nominal value of EUR 1 and amounts to kEUR 500 as at the balance sheet date:

Shares in circulation

Common shares issued as of 1 April 2021	500,000
Capital increase in kind Cash capital increase	
Common shares issued as of 31 March 2022	500,000
Common shares issued as of 1 April 2022	500,000
Increase in capital contribution in kind	
Increase in cash capital	
Common shares issued as of 31 March 2023	500,000

The capital increase in kind resolved at the Annual General Meeting on 22 March 2018, whereby 38,206 new no-par value shares were issued in exchange for the contribution of Electrovac H&H, Electrovac EMG, Electrovac France, Electrovac JP and Beuthauser KG as of 31 March 2018

38,206 new no-par value shares were issued, was entered in the commercial register on 17 May 2018. On 26 June 2018, the shareholders of electrovac AG carried out a further capital increase through cash contributions made on the same day. In the course of this, 361,794 shares were issued.

The consolidated equity is broken down as follows (in kEUR):

	Financial years	
	2022/2023	2021/2022
Issued share capital	500	500
Capital reserve	29,015	29,015
Other reserves	-99	-127
Retained earnings	8,914	6,109
Total equity	38,330	35,497

The capital reserve primarily comprises the capital increase in kind and cash carried out in 2018, less the directly attributable expenses for raising equity capital (kEUR 28,518). In addition, the item includes a debt waiver by Electrovac Holding AG in connection with the acquisition of patents and trademark rights in the amount of kEUR 465. Furthermore, kEUR 32 was reclassified from existing retained earnings to capital reserves in the 2018/2019 financial year.

Other reserves include currency translation differences from consolidation measures, valuation effects of financial instruments recognised at fair value through other comprehensive income, and actuarial gains or losses from defined benefit plans and their tax effects.

Other reserves exclusively represent the cumulative OCI effect.

In the 2022/2023 financial year, a dividend of kEUR 427 was approved for distribution to shareholders. In the previous year, kEUR 270 was distributed. The dividend per share amounts to EUR 0.85 (previous year: EUR 0.54).

The changes in retained earnings are due to the allocation of consolidated profit from the current financial year in the amount of kEUR 3,232 and a dividend of kEUR 427 that had not yet been paid out as of the reporting date. The profit carried forward from the previous year amounts to kEUR 6,109.

Earnings per share (basic/diluted) amounted to EUR 6.46 as at 31 March 2023. In the previous year, this figure was EUR 4.27. The calculation is based on the average number of shares outstanding during the reporting period. This was 500,000 shares in both the past financial year and the previous year.

21. Information on capital management

The Group's objective is to maintain a strong capital base in order to preserve the confidence of creditors and markets and to ensure the sustainable development of the company. Management regularly monitors the return on capital and the amount of distributions paid to shareholders.

Management strives to achieve a balance between increasing returns, which could be achieved with a higher debt ratio, and the advantages of a stable capital base.

The Group monitors capital using a ratio of net debt to equity. Net debt comprises all liabilities as reported in the balance sheet less cash and cash equivalents. Equity comprises all components of equity.

in kEUR	Financial years	
	2022/2023	2021/2022
Total debt	42,381	43,918
Less cash and cash equivalents	-1,278	-1,161
Net debt	41,103	42,757
Equity	38,330	35,497
Net debt to equity ratio	1.07	1.20

22. Financial liabilities

Financial liabilities are broken down as follows (in kEUR):

	Financial years	
	2022/2023	2021/2022
Non-current bank liabilities	6,776	6,111
Long-term financial liabilities	6,776	6,111
Current bank liabilities	750	0
Current account liabilities	6,603	6,131
Current portion of long-term financial liabilities	2,091	2,144
Current financial liabilities	9,444	8,274
Total financial liabilities	16,220	14,386

The maturity of financial liabilities is as follows (in kEUR):

	Financial years	
	2022/2023	2021/2022
Up to 1 year	9,444	8,316
1 to 5 years	5,696	5,338
Over 5 years	1,080	732
Total financial liabilities	16,220	14,386

The financial liabilities mainly comprise the following credit and loan agreements:

In kEUR	Currency	Nominal interest rate (%)	Maturity year	31 March 2023		31 March 2022	
				Nominal amount	Book value	Nominal amount	Book value
Hire purchase loans (secured)	EUR	-	2023-2030	4,216	1,956	3,815	2,207
KFW loan (secured)	EUR	1.00-4.25	2025-2030	3,800	2,498	3,800	3,020
Investment loans (secured)	EUR	0.98-5.20	2023-2029	8,904	5,163	8,754	3,028
Current account (secured)	EUR	4.03-5.70	-	6,603	6,603	6,131	6,131
Total				23,523	16,220	22,499	14,386

Electrovac AG took out an investment loan with a nominal value of kEUR 4,000 (carrying amount kEUR 1,333) for the acquisition of trademark rights and patents. To this end, Electrovac AG pledged its industrial property rights to Hypo Vereinsbank and assigned licences as security.

In the 2022/2023 financial year, Electrovac H&H took out a new loan of kEUR 2,000 to finance growth. Beuthauser KG took out a loan of kEUR 750 to finance raw materials.

electrovac AG acts as guarantor for various loans taken out by electrovac H&H. In addition, electrovac AG has issued a firm letter of comfort to the credit institution Raiffeisenlandesbank Oberösterreich Aktiengesellschaft for Beuthauser KG in the amount of kEUR 1,000. The letter of comfort is limited to the period during which the subsidiary utilises the loan.

As part of a KFW loan (nominal value of kEUR 1,125), Electrovac H&H has agreed certain covenants with Commerzbank AG on the basis of the financial statements prepared in accordance with commercial law (in the narrow sense), which, if not complied with, will result in the loan being called in by the bank.

The covenants at the Electrovac H&H level are as follows:

Equity covenant (equity ratio); value at least 30%

	as at 31 March 2023	as at 31 March 2022
Equity	18,827,070	17,892,781
Adjusted for deferred taxes	36,667	-118,872
Counter	18,863,737	17,773,909
Balance sheet total	37,152,678	35,298,348
Less deferred taxes	-36,667	-118,872
Denominator	37,116,011	35,179,476
Key figure as of the reporting date	50.8%	50.5%

Debt covenant (net financial liabilities / EBITDA); value max. 3.0

	as at 31 March 2022	as at 31 March 2021
Financial liabilities >1 year	4,557,869	3,171,131
Financial liabilities <1 year	3,772,985	4,364,371
less cash and cash equivalents	-342,303	-255,469
Numerator (net financial liabilities)	7,988,552	7,280,032
EBIT (line 12 minus lines 8-11)	1,671,751	1,377,520
Total depreciation	1,229,232	1,173,903
Denominator (EBITDA)	2,900,982	2,551,422
Key figure as of the reporting date	2.75	2.85

As of 31 March 2023 and 31 March 2022, the requirements for equity ratio and gearing ratio have been met.

23. Liabilities for post-employment benefits

The liabilities for post-employment benefits reported in the balance sheet are composed as follows (in kEUR):

	Financial years	
	2022/2023	2021/2022
Severance pay provision	1,359	1,478
Provisions for anniversaries	483	553
Provision for partial retirement	281	376
Provisions for severance payments, other	90	69
Total liabilities for post-employment benefits	2,213	2,476

Within the Electrovac Group, there are both defined contribution and defined benefit pension obligations towards employees. The defined contribution commitments relate to the obligation that has existed in Austria since 1 January 2003 to pay monthly contributions into a severance pay fund ("employee pension fund") for employees who join the company from this date onwards. In addition, Electrovac H&H has a defined contribution obligation to pay pension benefits into a fund (Metall Rente) for its employees. Defined contribution payments are recognised as an expense in the consolidated income statement as they fall due.

Defined benefit plans represent benefits payable after termination of employment for employees at Electrovac EMG who joined the company before 1 January 2003. In addition, other long-term benefits (anniversary bonuses, partial retirement) are reported for the plants in Germany and Austria. In addition, severance provisions are recognised for employees at Electrovac TH. The aforementioned benefit commitments are measured in accordance with IAS 19 using the projected unit credit method. No plan assets are accumulated in the course of this process. Benefits are financed from

own cash flow. According to expert opinions and estimates, total expenses of kEUR 217 are expected in the next reporting period. Employees do not make any contributions to the defined benefit plans.

Jubilee payments are granted to all employees at Electrovac H&H, Beutlhauser KG and Electrovac EMG in accordance with their length of service. Entitlement to partial retirement is assessed on an individual basis at Electrovac H&H.

Where applicable, the 2018G tables by Klaus Heubeck and the AVÖ 2018-P – calculation bases for pension insurance – serve as biometric calculation bases.

23.1 Provisions for severance payments

In the 2022/2023 financial year, there are obligations to pay severance payments within the Electrovac Group for employees of Electrovac EMG, where there are both defined benefit and defined contribution plans.

The liabilities arising from the defined benefit plans were calculated in accordance with actuarial principles. Severance provisions are formed for the statutory entitlements of workers and employees. The amount of the entitlements depends on the number of years of service and the relevant remuneration at the time the severance payment is due.

The development of the provision for severance payments at Electrovac EMG is shown below (in kEUR):

	Financial years	
	2022/2023	2021/2022
Opening balance	1,478	1,770
Current service cost	50	58
Interest expense	21	20
Actuarial losses/gains	-70	-61
Actual payments	-120	-309
Balance at the end of the financial year	1,359	1,478

Provisions for severance payments have been made for employees and workers who are entitled to severance payments in accordance with the Employees Act, the Workers' Severance Pay Act or works agreements. Employees whose employment relationships are subject to Austrian law are entitled to severance pay upon termination of their employment relationship upon reaching the statutory retirement age if the employment relationship in question began before 1 January 2003 and lasted for at least ten years without interruption, even if the employment relationship ends due to termination by the employee. The amount of severance pay depends on the amount of remuneration at the time of termination and the length of service. These employee entitlements are therefore to be treated as entitlements from defined benefit pension plans, with plan assets covering these entitlements.

The same applies to employees who are entitled to severance pay in accordance with the German Severance Pay Act (Arbeiterabfertigungsgesetz) and to severance payments payable in accordance with works agreements.

The valuation of existing severance payment obligations is based on assumptions and estimates that can have a significant impact on the amount recognised in the balance sheet. In this respect, the Electrovac Group is exposed to risks relating to the development of the discount rate, salary and pension trends, the probability of staff turnover and mortality rates. These risks are continuously monitored by the relevant risk management team and examined for possible mitigation measures. Severance payments are not hedged by cover assets or outsourced, but are included in risk management where necessary and economically viable. The capital required for severance payments is addressed as part of capital risk management.

For the coming financial year, the following effects of the defined benefit plans on future cash flows are expected, or were expected in the previous year:

2023/2024

Current service cost	45 kEUR
Net interest costs	52 kEUR

2022/2023

Current service cost	50 kEUR
Net interest costs	21 kEUR

The most important actuarial assumptions used as at the balance sheet date are listed below in per cent:

	Financial years	
	2022/2023	2021/2022
Discount rate	3.85%	1.45
Future wage and salary increases	3.90%	2.65
Fluctuation in workers/employees	0.00%	0.00%
Retirement age for men	65	65
Retirement age for women	60-65	60-65

Assumptions about future life expectancy are based on published statistics and mortality tables. As in the previous year, the new Austrian pension insurance tables entitled "AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung" (AVÖ 2018-P – Calculation bases for pension insurance), which comply with legal requirements, were used as the basis for calculations.

As at 31 March 2023, the weighted average term of the defined benefit obligation is 10 years (previous year: 10 years).

Sensitivity analysis

Changes in key actuarial assumptions that were reasonably possible at the reporting date would have affected the defined benefit obligation by the following amounts, assuming that all other assumptions remained unchanged:

Effect in kEUR	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-119	136	-140	162
Salary increases (1% change)	134	-120	158	-140
Pension increases (0.25% change)	n/a	n/a	n/a	n/a

23.2 Anniversary provisions

Entitlements to anniversary bonus payments exist at Electrovac H&H, Beuthhauser KG and Electrovac EMG. During the reporting period, provisions for anniversary bonuses developed as follows (in kEUR):

	Financial years	
	2022/2023	2021/2022
Opening balance	553	683
Current service cost	31	39
Interest expense	8	8
Actuarial losses/gains	-88	-97
Actual payments	-20	-79
Balance at end of financial year	483	553

The most important actuarial assumptions used at the balance sheet date for calculating provisions for anniversary bonuses are largely identical to those used for calculating provisions for severance payments. The discount rate for anniversary provisions within the Group ranges from 3.85 to 4.00 per cent. At Electrovac EMG, a fluctuation rate of 10% is assumed, as in the previous year.

23.3 Provisions for partial retirement

Provisions for partial retirement are made at Electrovac H&H. According to the expert opinion, the provisions for partial retirement developed as follows during the reporting period (in kEUR):

	Financial years	
	2022/2023	2021/2022
Opening balance	376	430
Current service cost	93	99
Actual payments	-188	-154
Balance at end of financial year	281	376

The most important assumptions used as at the balance sheet date are:

	Financial years	
	2022/2023	2021/2022
Discount rate	3.5%	0.0%
Future wage and salary increases	2.2%	2.2%
Retirement age for men	67	67
Retirement age for women	67	67

24. Provisions

Provisions are as follows (in kEUR):

	Financial years	
	2022/2023	2021/2022
Warranty provisions	184	162
Provisions for contingent losses	475	526
Total provisions	659	688

The development of the individual provisions in the financial year is shown in the following table:

	Balance as at 1 April 2022	Allocation	Reversal	Compounding	Discount	Consumption	Balance as at 31 March 2023
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Warranty provisions	162	21	0	0	0	0	184
Threat loss provisions	526	53	104	0	0	0	475
Total	688	74	104	0	0	0	659

	Status as of 1 April 2021	Allocation	Reversal	Compounding	Discount	Consumption	Balance as at 31 March 2022
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Warranty provisions	110	57	4	0	0	0	162
Threat loss provisions	425	113	12	0	0	0	526
Total	535	170	16	0	0	0	688

The warranty provision is based on the warranty expenses incurred in previous years. Therefore, the actual expense incurred may differ significantly from the amount provisioned.

The provision for contingent losses is formed for all delivery orders included in the order backlog as of the balance sheet date.

25. Trade payables

As in the previous year, trade payables are due within one year and amount to the following in thousands of euros per individual company as at the balance sheet dates:

	Financial years	
	2022/2023	2021/2022
electrovac AG	31	11
Electrovac H&H	2,263	2,109
Electrovac EMG	1,312	1,455
Electrovac TH	142	375
Beutlhauser KG	613	650
Electrovac JP	13	5
Electrovac FR	9	8
Electrovac USA	55	0
Total trade payables	4,437	4,613

26. Tax liabilities

The following table shows the income tax expenses that have been recognised but not yet assessed, in thousands of British pounds:

	Financial years	
	2022/2023	2021/2022
Trade tax provisions	224	399
Income tax provisions	723	671
Total tax provisions	947	1,070

27. Other liabilities

Other current liabilities are due within one year and comprise the following (in kEUR):

	Financial years	
	2022/2023	2021/2022
Liabilities for unused holiday entitlement	949	1,021
Liabilities from flexitime credits	487	484
Liabilities from bonuses and royalties	834	642
Liabilities for special payments	774	730
Liabilities for legal and consulting fees	185	184
Other liabilities relating to social security	215	191
Liabilities to tax authorities	529	343
Other liabilities	1,872	1,068
Total other liabilities	5,846	4,664

The balance sheet item includes deferred liabilities in accordance with IAS 37 amounting to kEUR 4,002 (previous year: kEUR 3,646).

The increase in the value of other liabilities is mainly due to a dividend still to be paid (kEUR 427) and higher advance payments and customer overpayments.

28. Overview of financial instruments

The Group's financial assets and financial liabilities developed as follows in the financial years (in kEUR):

Carrying amounts of financial instruments by category in accordance with IFRS 9 and their fair values in kEUR						
Assets	Category according to IFRS 9	Carrying amount 31 March 23	at amortised cost	at fair value recognised in equity	at fair value in the income statement recognised	Fair value 31 March 23
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
Long-term receivables from derivatives Other long-term receivables	AC					
	FVTPL					
	AC	183	183			183
Current financial assets Trade receivables Cash	FVOCI	7,154		7,154		7,154
Current receivables from derivatives Other current financial receivables	AC	1,278	1,278			
	FVTPL					
	AC	106	106			
Liabilities						
Long-term financial liabilities						
Long-term loan liabilities	AC	6,776	6,776			6,397
Long-term liabilities from derivatives Other long-term liabilities	FVTPL					
	AC					
Short-term financial liabilities Trade payables						
Short-term loan liabilities	AC	4,437	4,437			
Short-term liabilities from derivatives Other short-term financial liabilities	AC	9,444	9,444			
	FVTPL					
	AC	756	756			
Financial assets at fair value through profit or loss	FVTPL					
Financial assets at amortised cost	AC					
Financial assets at fair value through other comprehensive income	FVOCI					
Financial liabilities at fair value through profit or loss	FVTPL					
Financial liabilities at amortised cost	AC					

Carrying amounts of financial instruments according to the categories under IFRS 9 and their fair values in kEUR						
Assets	Category in accordance with IFRS 9	Carrying amount 31 March 22	at amortised cost	at fair value recognised in equity	at fair value recognised in the income statement	Fair value 31 March 22
Non-current financial assets						
Securities Loans granted	AC/FVOCI					
Long-term receivables from derivatives Other long-term receivables	AC					
	FVTPL					
	AC	63	63			63
Current financial assets Trade receivables						
Cash	FVOCI	8,529		8,529		8,529
Current receivables from derivatives Other current financial receivables	AC	1,161	1,161			
	FVTPL					
	AC	493	493			
Liabilities						
Long-term financial liabilities						
Long-term loan liabilities	AC	6,070	6,070			6,070
Long-term liabilities from derivatives Other long-term liabilities	FVTPL					
	AC					
Short-term financial liabilities Trade payables						
Short-term loan liabilities	AC	4,613	4,613			
Short-term liabilities from derivatives Other short-term financial liabilities	AC	8,316	8,316			
	FVTPL					
	AC	208	208			
Financial assets at fair value through profit or loss	FVTPL					
Financial assets at amortised cost	AC					
Financial assets at fair value through other comprehensive income	FVOCI					
Financial liabilities at fair value through profit or loss	FVTPL					
Financial liabilities at amortised cost	AC					

The table below shows the valuation techniques used to determine the fair values of Levels 2 and 3, as well as the significant unobservable inputs used:

Valuation based on market-observable inputs (Level 2)

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable Input factors
Trade receivables	Nominal value less factoring fees for unsold factoring exposure	N.V.

Valuation using input factors not observable on the market (Level 3)

Financial instruments not measured at fair value for which the fair value must be disclosed Type Valuation technique

Significant unobservable input factors
Other long-term financial receivables
Discounting of expected future cash flows (DCF)
Bank margin (derived)
Loan liabilities

No fair value is stated for short-term financial instruments, as it is assumed for simplicity's sake that this approximates the carrying amount due to the short term.

The following table shows the net result from financial instruments (in kEUR). It includes currency results, interest and other effects recognised in profit or loss:

Net result from financial instruments	
Financial assets measured at amortised cost (AC)	83
<i>of which interest expense</i>	<i>0</i>
Financial assets measured at fair value through profit or loss assets (FVOCI)	-376
<i>of which interest expense</i>	<i>-105</i>
Financial liabilities measured at amortised cost	
Liabilities (AC)	-605
<i>of which interest expense</i>	<i>-518</i>

29. Information on contingent assets/ liabilities

Beyond intra-group guarantees and letters of comfort, no significant contingent assets/liabilities are recognised as at the balance sheet date.

30. Information on the cash flow statement

With regard to the components of cash and cash equivalents, please refer to No. 19 Cash and cash equivalents. Cash and cash equivalents are defined as the balance of cash and cash equivalents of less than three months minus the liabilities from current account relationships included in current financial liabilities, which are part of company-wide cash management.

Cash flow from operating activities is presented using the indirect method.

Interest income is allocated in full to cash flow from investing activities. Interest payments in connection with lease liabilities and loans are reported in full in cash flow from financing activities. Tax payments are reported in full under operating activities.

There are no restrictions on the disposal of funds in the cash fund.

The exchange rate-related change in the value of cash and cash equivalents was determined on the basis of a simplified direct calculation using average exchange rates for the period.

		Debts			Equity						
In KEUR	Notes	On cash management current account overdrafts	Other financial liabilities	Leasing liabilities	Subscribed capital	Capital reserve	Profit reserve	Other reserves	Balance sheet profit/ loss	To implement the approved capital increase Contributed capital	Total
Balance sheet as at 1 April 2022		6,131	8,256	14,748	500	29,015	0	-127	6,109	0	64,632
Changes in cash flow from financing activities											
Proceeds from the issue of shares	20										0
Proceeds from other financial liabilities	22	472	3,644								4,116
Payments for other financial liabilities	22		-2,282								-2,282
Interest paid	8		-668	-675							-1,343
Repayment of lease liabilities	13			-1,028							-1,028
Distribution	20										0
Total change in cash flow from		472	693	-1,703	0	0	0	0	0	0	-537
Effects of exchange rate changes		0	0	0	0	0	0	-27	0	0	-27
Changes in fair value		0	0	0	0	0	0	1	0	0	1
Other changes related to equity											
Capital increase carried out											0
Actuarial gains/losses	23.1							54			54
Profit for the period									3,232		3,232
Total other changes relating to liabilities		8.13	668	-2,314							-1,645
Total other changes relating to equity					0	0	0	54	2,804	0	2,858
Balance sheet as at 31 March 2023											
		6,603	9,618	10,732	500	29,015	0	-99	8,914	0	65,282

In kEUR	Notes	Debt			Equity						Total	
		On cash management current account overdrafts	Other financial liabilities	Leasing liabilities	Subscribed capital	Capital reserve	Profit reserve	Other reserves	Balance sheet profit/loss	To implement the approved capital increase Contributed capital		
Balance sheet as at 1 April 2021		4,071	10,160	14,641	0	500	29,015	0	-186	4,244	0	62,446
Changes in cash flow from financing activities												
Proceeds from the issue of shares	20											0
Proceeds from other financial liabilities	22		435									435
Payments for other financial liabilities	22	2,060	-2,340									-280
Interest paid	8		-439	-687								-1,125
Repayment of lease liabilities	13			-871								-871
Distribution	20									-270		-270
Total change in cash flow from financing activities		2,060	-2,343	-1,558		0	0	0	0	-270	0	-2,112
Effects of exchange rate changes		0	0	0		0	0	0	17	0	0	17
Changes in fair value		0	0	0		0	0	0	-4	0	0	-4
Other changes related to equity												
Capital increase carried out												0
Actuarial gains/losses	23.1								45			45
Profit for the period										2,135		2,135
Total other changes relating to liabilities		8.13	439	1,665								2,104
Total other changes relating to equity						0	0	0	45	2,135	0	2,180
Balance sheet as at 31 March 2022												
		6,131	8,256	14,748		500	29,015	0	-127	6,109	0	64,632

31. Related companies and persons

The connections between electrovac AG and related parties in the reporting year are as follows:

Name	Close relationship as at the balance sheet date
Christoph Beutlhauser	Shareholder of electrovac AG, Managing Director of Beutlhauser GmbH & Co. KG
Michael Beutlhauser	Shareholder of electrovac AG, Managing Director of Beutlhauser GmbH & Co. KG
Dieter Thumfart	Member of the Board of electrovac AG, Managing Director of Electrovac Hacht und Huber GmbH, Managing Director of Electrovac Metall- Glaseinschmelzungs GmbH, Managing Director of Electrovac (Thailand) Co. Ltd
Rainer Matzka	Member of the Executive Board of electrovac AG, Managing Director of Electrovac Hacht und Huber GmbH, Managing Director of Electrovac Metall- Glaseinschmelzungs GmbH, Managing Director of Electrovac (Thailand) Co. Ltd, Managing Director of Electrovac USA inc.
Christian Fürst	Member of the Supervisory Board of electrovac AG (Chairman)
Oliver Mühlberger	Member of the Supervisory Board of electrovac AG (Deputy Chairman)
Martin Wösner	Member of the Supervisory Board of electrovac AG

In accordance with IAS 24, persons who control electrovac AG, exercise significant influence or hold a key position in management are disclosed.

Control exists if a shareholder holds more than half of the voting rights in electrovac AG or has the power to control the financial and business policy of electrovac AG by virtue of the Articles of Association or a contractual agreement.

With regard to related companies, we refer to the organisational chart in section 1.1. Furthermore, the parent company Electrovac Holding AG, Chur, which does not prepare its own consolidated financial statements, is a related company.

Transactions with related companies and persons (in kEUR):

Transactions with related parties Values in kEUR	Carrying amount in FY 2022/23	Balance sheet total as at 31 March 2023	Carrying amount in FY 2021/22	Balance sheet total as at 31 March 2022
Licence payment for trademark rights and patents from Electrovac Hacht und Huber GmbH to electrovac AG	566	10	538	37
Licence payment for trademark rights and patents from Electrovac Metall-Glaseinschmelzungs GmbH to electrovac AG	142	10	103	-9
Management fee for management services and settlement of marketing costs from electrovac AG to Electrovac Hacht und Huber GmbH	304	0	248	0
Management fee for management services and billing of marketing costs from electrovac AG to Electrovac Metall-Glaseinschmelzungs GmbH	276	0	248	0
Management fee for management services and settlement of marketing costs from electrovac AG to Electrovac (Thailand) Co. Ltd	65	5	59	0
Settlement of marketing costs from electrovac AG to Beuthhauser GmbH & Co.KG	11	0	0	0
Sale of airbag headers from Electrovac Hacht und Huber GmbH to Electrovac Japan KK (which is an intermediary for third-party customers)	4,232	602	2,457	170
Settlement of service fee for sales services from Electrovac Japan KK to Electrovac Hacht und Huber GmbH	85	0	92	0
Sale of semi-finished products and service fee for IT licences and distribution services from Electrovac Hacht und Huber GmbH to Electrovac Metall-Glaseinschmelzungs GmbH	1,136	58	937	11
Sale of components and tools and service fee for IT, development and technology from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac Hacht und Huber GmbH	9,645	4,035	8,047	3,647
Service fee for administrative services from Electrovac Hacht und Huber GmbH to electrovac AG	102	0	96	0
Sale of components, machines and spare parts from Electrovac Hacht und Huber GmbH to Electrovac (Thailand) Co. Ltd	1,942	1,546	2,356	950
Shareholder loan from Electrovac Hacht und Huber GmbH to Electrovac (Thailand) Co. Ltd.	75	2,500	129	2,500
Sale of tools and service fee for accounting and IT services from Electrovac Metall-Glaseinschmelzungs GmbH to Electrovac (Thailand) Co. Ltd	162	22	72	2
Sale of tools and service fee for IT from Electrovac Metall-Glaseinschmelzungs GmbH to Beuthhauser GmbH & Co. KG	35	4	107	4
Sale of semi-finished products and service fee for administrative services from Electrovac Hacht und Huber GmbH to Beuthhauser GmbH & Co. KG	1,755	289	1,600	3
Sale of components from Beuthhauser GmbH & Co. KG to Electrovac Hacht und Huber GmbH and Electrovac Metall-Glaseinschmelzungs GmbH	6,854	769	6,767	921
Leasing of building space by Beuthhauser GmbH & Co. KG to Electrovac Hacht und Huber GmbH	41	0	31	0
Service fee for sales services provided by Electrovac France s.a.r.l. to Electrovac Hacht und Huber GmbH	228	0	228	0
Service fee for sales services provided by Electrovac France s.a.r.l. to Electrovac Metall-Glaseinschmelzungs GmbH	152	0	152	0
Service fee for sales services provided by Electrovac USA Inc. to Electrovac Hacht und Huber GmbH	178	0	96	0
Service fee for distribution services provided by Electrovac USA Inc. to Electrovac Metall-Glaseinschmelzungs GmbH	76	61	0	0

Transactions with related parties are of minor significance and are therefore not listed in detail.

Payment terms of 30 to 75 days net apply to all intra-group transactions.

There are no collateral securities for any intra-group receivables or loans granted. Doubtful receivables, if any, are written down.

32. Events after the balance sheet date

There were no materially significant value-determining events after the balance sheet date in accordance with IAS 10.10.

G Risk management for financial risks

The Group is exposed to financial risks in the course of its operating activities. These risks relate in particular to interest rate changes, payment defaults, liquidity, price changes and currency risks. These risks are managed and limited by the management. Monitoring is carried out by the Group-wide risk management department.

1. Interest rate risk

The Management Board does not consider the impact of changes in market interest rates on consolidated earnings and operating cash flow to be material.

In accordance with IFRS 7, interest rate risks are presented using sensitivity analyses, whereby the hypothetical effects of changes in market interest rates on interest income and expenses are determined. The interest rate sensitivity analyses are based on the following assumptions:

- Changes in market interest rates for primary financial instruments with fixed interest rates only affect earnings if these are measured at fair value. Fixed-interest financial instruments are primarily long-term bank loans. Accordingly, all fixed-interest financial instruments measured at amortised cost are not subject to interest rate risk under IFRS.
- The Electrovac Group is exposed to interest rate risks vis-à-vis third parties in connection with factoring positions and short-term financial liabilities, which bear variable interest rates. A change in interest rates of 100 basis points would have an effect on earnings of kEUR -120 in the event of an increase in interest rates and an effect of kEUR +120 in the event of a decrease in interest rates.

2. Default risk

Despite its international customer structure, the Group considers its default risk to be relatively low. It has regulations in place to ensure that products are only sold to customers with a qualified credit rating and to limit the extent of the default risk vis-à-vis individual contractual partners. In its operating business, outstanding receivables are monitored decentrally in the business divisions. Default risks are taken into account by means of portfolio value adjustments.

The maximum credit and default risk is reflected in the carrying amounts of the assets recognised in the balance sheet. Receivables are selectively sold under factoring/forfeiting agreements. In addition, a significant portion of trade receivables is covered by credit insurance.

Trade receivables not covered by credit insurance relate to a limited number of major listed customers in the automotive sector operating worldwide. We consider the probability of default due to insolvency on the part of these customers to be very low.

3. Liquidity risk

Liquidity risk management ensures the availability of sufficient funds and cost-effective financing through short-term financing tailored to requirements. Due to the dynamic nature of the underlying business and the fluctuating liquidity requirements during the year, efforts continue to be made to ensure flexible capital availability by providing credit lines that can be utilised at any time.

As at 31 March 2023, the Electrovac Group had overdraft facilities of EUR 11.1 million. Of these credit lines, EUR 4.5 million had not been utilised as at the reporting date and, in addition to cash and cash equivalents of EUR 1.3 million, is available to cover liquidity requirements.

The maturity structure of the (original) financial liabilities based on future repayments and interest payments as of the reporting date is as follows:

Maturity analysis as at 31 March 2023

Remaining terms	Up to 1 year	Over 1 year to 5 years	Over 5 years
Long-term financial liabilities			
Long-term loan liabilities	2,307	6,019	1,095
Long-term liabilities from derivatives			
Other long-term liabilities			
Current financial liabilities			
Trade payables	4,437		
Short-term loan liabilities	7,746		
Current liabilities from derivatives			
Other short-term financial liabilities	756		

4. Price change risk on the procurement market

In addition to conventional metal goods, Electrovac also uses a wide variety of precious and industrial metals such as gold, nickel, cobalt, palladium and silver in the manufacture of its products. Global market prices for these metals have been subject to strong dynamics for some time, accompanied in some cases by high volatility. The Group counters the resulting price change risk by closely monitoring the market and adjusting customer contracts in line with changes in raw material prices.

Due to the contracts agreed with customers, price changes for gold can be passed on to them in full. The expected annual purchase volume of other precious and industrial metals amounts to approximately EUR 5.1 million (excluding processing fees and alloy surcharges). Price fluctuations for these metals are often not hedged in customer contracts. Considering this value as a risk position and assuming a confidence level of 95%, the aggregate value at risk based on historical data from the past financial year is kEUR 1,165 (previous year: kEUR 1,307). Correlation effects were not taken into account.

5. Currency risk

Both translation and liquidity-related transaction risks in connection with foreign currencies are classified as low. The Group counteracts the operational EUR/USD currency risk with approximately equal purchases and sales in foreign currencies. In the 2022/2023 financial year, there was an average exposure to CNY of kEUR 74 (previous year: kEUR 46). Beyond this, there are no significant currency risks.

H Group governing bodies

1. Executive Board

The following persons have been appointed to the Management Board:

Chairman: Dieter Thumfahrt, Klosterneuburg, Austria

Deputy Chairman: Rainer Matzka, Vienna, Austria (resigned as of 31 March 2023)

2. Supervisory Board

The following members of the Supervisory Board of electrovac AG were appointed during the financial year and the accounting period:

- a) Chairman Christian Fürst, Thyrnau, Germany
- b) Deputy Chairman Oliver Mühlberger, Passau, Germany
- c) Martin Wösner, Ruhstorf, Germany

3. Shareholder

- a) Electrovac Holding AG, Chur, Switzerland
- b) Christoph Beutlhauser, Salzweg, Germany
- c) Michael Beutlhauser, Salzweg, Germany

4. Remuneration / Total compensation

Values in kEUR	Short-term benefits	Post-employment benefits	Other long-term benefits	Benefits upon termination of employment	Share-based payments
Annual remuneration for the 2022/23 financial year					
Management	547	0	0	0	0
Supervisory Board	114	0	0	0	0
Annual remuneration for the 2021/22 financial year					
Management	516	0	0	0	0
Supervisory Board	114	0	0	0	0

I Company law data

The parent company, electrovac AG, with its registered office at Anglstraße 4, 94121 Salzweg, Germany, is a small corporation within the meaning of Section 267 (1) of the German Commercial Code (HGB). It was founded on 26 January 2018. The company is registered in the commercial register of the Passau Local Court under number HRB 10281.

Further information pursuant to Section 315 e HGB:

Number of employees (all companies included in the report):

Average per financial year	31 March 2023	31 March 2022
Industrial employees	423	405
Employees	131	128
Total	554	533

Total auditor's fees broken down by:

in kEUR	Financial years	
	2022/2023	2021/2022
Fee for audit services	116	114
Fees for other assurance services		
Fees for tax advisory services		
Fees for other services	3	5
Total	119	119

Information on group affiliation

As the parent company, electrovac AG, Salzweg, prepares consolidated financial statements for the smallest and largest consolidation groups, as the parent company Electro-vac Holding AG, Chur, Switzerland, does not prepare its own consolidated financial statements.

The consolidated financial statements of the parent company electrovac AG, Salzweg, will be submitted electronically to the company register and published.

Approval and publication of the consolidated financial statements as at 31 March 2023

The consolidated financial statements and group management report prepared by the Management Board of electrovac AG as at 31 March 2023 will be released for publication upon signature by the Management Board.

Salzweg, 31 August 2023

electrovac AG
Executive Board

Dipl.-Ing. Dieter Thumfart

Appendix to the notes: Consolidated fixed asset schedule

Consolidated fixed asset schedule		Acquisition and production costs					Depreciation							Book value			
Balance as at		Disposals					Balance as at	Balance as at		Disposales					Balance as at	Status on	Status on
1 April 2022	Additions	Disposals	Closing balance	Transfers	Currency items	31 March 2023	1 April 2022	Additions	Disposals	Closing balance	Transfers	Currency items	31 March 2023	31 March 2023	31 March 2022		
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR		
A. Fixed assets																	
I. Intangible assets																	
1. Concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets																	
5,459,524.63	36,329.64	-71,229.01	0.00	0.00	-61.58	5,424,563.68	-2,111,326.57	-341,800.80	71,229.01	0.00	0.00	48.97	-2,381,849.39	3,042,714.29	3,348,198.06		
7,734,766.16	0.00	0.00	0.00	0.00	0.00	7,734,766.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,734,766.16	7,734,766.16		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
13,194,290.79	36,329.64	-71,229.01	0.00	0.00	-61.58	13,159,329.84	-2,111,326.57	-341,800.80	71,229.01	0.00	0.00	48.97	-2,381,849.39	10,777,480.45	11,082,964.22		
II. Rights of use																	
5,415,130.20	0.00	-2,393,611.87	0.00	0.00	0.00	3,021,518.33	-557,749.43	-106,202.71	0.00	0.00	0.00	0.00	-663,952.14	2,357,566.19	4,857,380.77		
7,596,192.16	0.00	0.00	0.00	0.00	-1,469.03	7,594,723.13	-3,065,243.29	-564,448.25	0.00	0.00	0.00	-5,449.98	-3,635,141.51	3,959,581.62	4,530,948.87		
1,995,380.42	242,718.68	-68,294.22	0.00	0.00	-270.19	2,169,534.68	-999,992.87	-445,816.57	68,293.22	0.00	0.00	138.83	-1,377,377.39	792,157.30	995,387.54		
15,006,702.78	242,718.68	-2,461,906.09	0.00	0.00	-1,739.23	12,785,776.14	-4,622,985.59	-1,116,467.52	68,293.22	0.00	0.00	-5,311.14	-5,676,471.03	7,109,305.11	10,383,717.18		
III Property, plant and equipment																	
1. Land, land-like rights and buildings, including buildings on third-party land																	
2,347,888.68	114,378.49	0.00	0.00	0.00	-1,634.96	2,460,632.21	-1,372,615.30	-139,684.57	0.00	0.00	0.00	358.91	-1,511,940.96	948,691.25	975,273.38		
45,517,509.26	2,548,018.77	-1,039,255.70	0.00	466,541.87	-25,569.02	47,467,245.18	-29,020,615.52	-2,343,272.37	811,100.48	0.00	-61,568.81	9,287.16	-30,605,069.06	16,862,176.12	16,496,893.74		
8,302,621.54	662,627.56	-468,822.40	0.00	131,669.52	-1,779.65	8,626,316.57	-6,065,278.00	-596,713.62	449,724.58	0.00	11,357.76	1,026.70	-6,199,882.58	2,426,433.99	2,237,343.54		
704,964.09	2,494,390.00	-164,217.93	0.00	-449,138.93	-76.48	2,585,920.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,585,920.75	704,964.09		
56,872,983.57	5,819,414.83	-1,672,296.03	0.00	149,072.46	-29,060.12	61,140,114.71	-36,458,508.82	-3,079,670.56	1,260,825.06	0.00	-50,211.05	10,672.77	-38,316,892.60	22,823,222.11	20,414,474.75		
IV Financial assets																	
1. Shares in affiliated companies																	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
25,500.00	0.00	0.00	0.00	0.00	0.00	25,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,500.00	25,500.00		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
63,000.19	120,631.43	0.00	0.00	0.00	-339.52	183,292.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	183,292.10	63,000.19		
88,500.19	120,631.43	0.00	0.00	0.00	-339.52	208,792.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	208,792.10	88,500.191		
V. Investment property																	
1. Land																	
1,894,709.77	0.00	-837,573.13	0.00	0.00	0.00	1,057,136.64	-195,083.87	-37,159.48	0.00	0.00	0.00	0.00	-232,243.35	824,893.29	1,699,625.90		
480,452.58	0.00	0.00	0.00	0.00	0.00	480,452.58	-356,605.04	-26,351.22	0.00	0.00	0.00	0.00	-382,956.26	97,496.32	123,847.54		
2,375,162.35	0.00	-837,573.13	0.00	0.00	0.00	1,537,589.22	-551,688.91	-63,510.70	0.00	0.00	0.00	0.00	-615,199.61	922,389.61	1,823,473.44		
87,537,639.69	6,219,094.58	-5,043,004.27	0.00	149,072.46	-31,200.45	88,831,602.01	-43,744,509.90	-4,601,449.58	1,400,347.29	0.00	-50,211.05	5,410.61	-46,990,412.63	41,841,189.38	43,793,129.79		

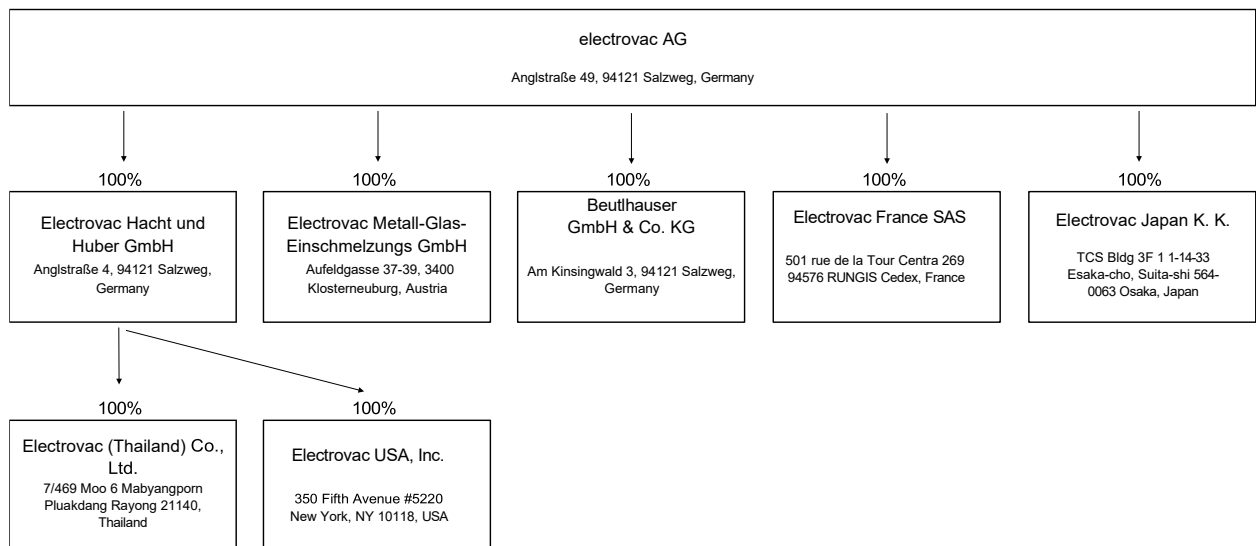
Consolidated fixed asset schedule		Acquisition and production costs					Depreciation							Carrying amount		
Balance as at		Disposals					Balance as at	Balance as at	Disposals				Balance as at	Status on	Status on	
1 April 2021	additions	Disposals	Closing balance	Transfers	Currency items	31 March 2022	1 April 2021	Additions	Disposals	Final consumption	Transfers	Currency items	31 March 2022	31 March 2022	31 March 2021	
KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	
A. Fixed assets																
I. Intangible assets																
1. Concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets																
5,395,202.30	29,476.73	0.00	0.00	34,921.77	-76.17	5,459,524.63	-1,761,253.10	-350,127.96	0.00	0.00	0.00	54.49	-2,111,326.57	3,348,198.06	3,633,949.20	
7,734,766.16	0.00	0.00	0.00	0.00	0.00	7,734,766.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,734,766.16	7,734,766.16	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
13,129,968.46	29,476.73	0.00	0.00	34,921.77	-76.17	13,194,290.79	-1,761,253.10	-350,127.96	0.00	0.00	0.00	54.49	-2,111,326.57	11,082,964.22	11,368,715.36	
II. Rights of use																
1. Superstructure																
5,316,657.34	98,472.86	0.00	0.00	0.00	0.00	5,415,130.20	-458,713.99	-99,035.44	0.00	0.00	0.00	0.00	-557,749.43	4,857,380.77	4,857,943.35	
7,446,810.45	150,226.19	0.00	0.00	0.00	-844.48	7,596,192.16	-2,499,380.33	-566,516.77	0.00	0.00	0.00	653.81	-3,065,243.29	4,530,948.87	4,947,430.12	
1,367,824.71	695,256.29	-67,166.26	0.00	0.00	-534.32	1,995,380.42	-713,111.40	-354,368.86	67,166.26	0.00	0.00	321.13	-999,992.87	995,387.54	654,713.31	
14,131,292.50	943,955.34	-67,166.26	0.00	0.00	-1,378.80	15,006,702.78	-3,671,205.72	-1,019,921.07	67,166.26	0.00	0.00	974.94	-4,622,985.59	10,383,717.18	10,460,086.78	
III Property, plant and equipment																
1. Land, land-like and buildings, including buildings on third-party land																
2,263,665.89	86,316.58	0.00	0.00	0.00	-2,093.78	2,347,888.68	-1,245,949.78	-127,040.65	0.00	0.00	0.00	375.13	-1,372,615.30	975,273.38	1,017,716.11	
42,618,435.91	1,277,130.23	-361,329.86	0.00	2,015,879.74	-32,606.75	45,517,509.26	-27,118,933.11	-2,090,222.94	173,184.27	0.00	5,678.88	9,677.38	-29,020,615.52	16,496,893.74	15,499,502.80	
7,583,243.36	560,420.28	-46,797.73	0.00	207,735.36	-1,979.72	8,302,621.54	-5,565,041.41	-542,292.57	46,724.64	0.00	-5,678.88	1,010.22	-6,065,278.00	2,237,343.54	2,018,201.94	
2,567,047.39	434,595.93	-39,876.52	0.00	-2,258,536.87	1,734.16	704,964.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	704,964.09	2,567,047.39	
55,032,392.55	2,358,463.01	-448,004.11	0.00	-34,921.77	-34,946.11	56,872,983.57	-33,929,924.30	-2,759,556.16	219,908.91	0.00	0.00	11,062.73	-36,458,508.82	20,414,474.75	21,102,468.25	
IV Financial assets																
1. Shares in affiliated companies																
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
25,500.00	0.00	0.00	0.00	0.00	0.00	25,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,500.00	25,500.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
60,300.62	3,112.89	0.00	0.00	0.00	-413.32	63,000.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,000.19	60,300.62	
85,800.62	3,112.89	0.00	0.00	0.00	-413.32	88,500.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,500.19	85,800.62	
V. Investment property																
1. Land																
1,860,254.90	34,454.87	0.00	0.00	0.00	0.00	1,894,709.77	-160,470.22	-34,613.65	0.00	0.00	0.00	0.00	-195,083.87	1,699,625.90	1,699,784.68	
480,452.58	0.00	0.00	0.00	0.00	0.00	480,452.58	-330,253.82	-26,351.22	0.00	0.00	0.00	0.00	-356,605.04	123,847.54	150,198.76	
2,340,707.48	34,454.87	0.00	0.00	0.00	0.00	2,375,162.35	-490,724.04	-60,964.87	0.00	0.00	0.00	0.00	-551,688.91	1,823,473.44	1,849,983.44	
84,720,161.61	3,369,462.85	-515,170.37	0.00	0.00	-36,814.40	87,537,639.69	-39,853,107.17	-4,190,570.06	287,075.17	0.00	0.00	12,092.16	-43,744,509.90	43,793,129.79	44,867,054.44	

Group management report for the 2022/2023 financial year

A Basis of the Group

The Electrovac Group is a medium-sized group of companies specialising in the development and manufacture of hermetic enclosures using glass-to-metal sealing technology for a wide range of applications in the fields of electronics, sensor technology and actuator technology. The Electrovac Group's products are used in the automotive industry and in many other sectors, such as aerospace.

The Electrovac Group's scope of consolidation includes the following companies:



The manufactured products, most of which are customised, include sockets for airbag igniters, housings for electronic circuits, housings for lithium batteries, and sensor sockets and housings. The products are sold worldwide, with the main sales areas being Europe, Asia and the USA. The largest market segment, currently accounting for around 57% of sales, is the automotive industry.

The Electrovac Group is highly vertically integrated in its manufacturing, meaning that many of the components required for the production of hermetic housings are manufactured within the group. These include stamped parts, glass pills and contact pins. Raw materials such as glass, metal strips and other components required for production are purchased from suppliers worldwide.

The Electrovac Group develops new products mostly in collaboration with its customers. This involves, for example, developing and testing new designs or manufacturing processes and bringing them to series production readiness. Another focus is the development of new machines used to manufacture the products.

B Economic report

1. Macroeconomic conditions

According to the European Commission's latest spring forecast, economic growth of 1.0% is expected in the EU for 2023. In 2024, economic output will rise by 1.7%. A recession is not expected due to lower energy prices, fewer supply bottlenecks and a strong labour market. Core inflation (7.6% in March 2023) is expected to decline gradually in the forecast years.

According to the World Bank, global economic output will rise by 2.1% in 2023 compared to the previous year, with +0.7% expected for the US, +5.6% for China and +0.4% for the eurozone. The IMF's forecast for global GDP growth in 2023 is more positive at +3.0%.

The passenger car market is particularly important for the Electrovac Group. According to the German Association of the Automotive Industry (VDA), a total of 72.1 million passenger cars were produced worldwide in 2022. Production volume in Germany is expected to rise to 4.0 million units (15%) in 2023. This means that the pre-crisis level of 2019 has not yet been reached (4.7 million units). Global passenger car sales will rise to 75.7 million units in 2023. This represents growth of 6% compared to the previous year.

Sources: European Commission, World Bank, International Monetary Fund, German Association of the Automotive Industry.

2. Business performance

In the 2022/2023 financial year, the Electrovac Group generated sales of EUR 85.2 million. This slightly exceeded the forecast for the 2022/2023 financial year of EUR 83.5 million by 2%.

Business performance in the automotive sector was 6% below target, while the other product and customer areas exceeded targets by around 16%.

Cumulative order intake in the 2022/2023 financial year is around 112% of the turnover achieved, a positive indicator for the expected increases in turnover in the current 2023/2024 financial year.

The Management Board is satisfied with the business performance in the past financial year.

3. Earnings situation

Revenue increased by 10.3% compared to the previous year. Sales development in the 2022/2023 financial year was characterised by a strong first half-year and a consolidating second half-year, which was slightly above the planned figures. With sales of EUR 85.2 million (previous year: EUR 77.3 million), the cost of goods sold amounted to 83.9% (previous year: 85.5%).

Compared to the previous year, personnel costs (including temporary staff) increased by 7.1%. This trend is explained by higher sales. Material costs in relation to operating performance (sales plus/minus change in inventories and capitalised own work) remained at the previous year's level at 41%.

In the 2022/2023 financial year, the Electrovac Group generated gross profit of EUR 13.7 million (previous year: EUR 11.2 million). After deducting expenses for sales, administration and research and development and adding other operating income, the operating result amounted to EUR 5.7 million. This means that the operating result is significantly higher than in the previous year (EUR 4.1 million). The higher demand in the specialities segment is the main reason for this.

The EBIT margin of approximately 5.0% forecast in the previous year was exceeded, reaching 6.7%. The expected operating result (EBIT) of EUR 4.2 million was also significantly exceeded.

Profit before tax amounted to EUR 4.4 million (previous year: EUR 2.9 million).

4. Financial position

The Electrovac Group's financial position is stable. Our financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment terms.

Equity amounts to EUR 38.3 million. The equity ratio as at 31 March 2023 is 47.5%. Liabilities to banks amount to EUR 16.2 million (previous year: EUR 14.4 million), accounting for 20.1% of total assets as at the balance sheet date of 31 March 2023. Leasing liabilities amount to EUR 10.7 million and are below the previous year's level (EUR 14.7 million) due to a term reassessment at Electrovac EMG. Leasing and financial liabilities account for a total of 33.4% of the balance sheet total.

Of the liabilities to banks, EUR 9.4 million are current liabilities and EUR 6.8 million are non-current liabilities.

As at the balance sheet date of 31 March 2023, the Electrovac Group had cash and cash equivalents of EUR 1.3 million and undrawn overdraft facilities of EUR 4.5 million. Of the cash and cash equivalents, 30% is in euros, 26% in US dollars,

24% in Thai baht and 20% in Japanese yen. The total available overdraft facilities of EUR 11.1 million are entirely in euros.

The Electrovac Group's planned investments of EUR 5.1 million in the 2023/2024 financial year will be covered primarily by new loans and the utilisation of overdraft facilities.

Please refer to the notes for information on covenants to be fulfilled.

5. Net assets

As of the balance sheet date on 31 March 2023, the consolidated balance sheet total of electrovac AG, Salzweg, amounted to EUR 80.7 million, a moderate increase compared to the previous year (EUR 79.4 million).

Property, plant and equipment are reported at EUR 22.8 million, representing 28.3% of total assets. Investments were mainly made in replacements and expansions in the production areas of the manufacturing companies.

Intangible assets (totalling EUR 10.8 million) consist of trademark and patent rights amounting to EUR 3.0 million and goodwill amounting to EUR 7.7 million.

Furthermore, there are non-current assets in the form of rights of use amounting to EUR 7.1 million and investment properties amounting to EUR 0.9 million.

Current assets are reported at EUR 37.9 million, which is 47.0% of the balance sheet total. Of this amount, EUR 26.9 million is attributable to inventories and EUR 7.2 million to trade receivables.

Cash and cash equivalents amounting to EUR 1.3 million, available overdraft facilities amounting to EUR 4.5 million and financing through factoring/forfeiting guarantee that all payment obligations can be met.

6. Financial and non-financial performance indicators

The management of the Electrovac Group is kept up to date on business developments throughout the year on the basis of comprehensive controlling and reporting systems. For our internal corporate management, we use not only the most important financial indicators (i.e. turnover and EBIT) but also other key figures (e.g. order intake, order backlog, number of quotations submitted, share of turnover with new products, reject rates, process throughput times, etc.) that provide us with information about the current state of the company. At regular management meetings, the managing directors and division heads of the

Group companies. The controlling instruments enable management to react to developments at an early stage and initiate appropriate control measures.

Another important performance indicator is staff turnover, which is very low at 2.4% at the main plant Electrovac Hacht & Huber GmbH, for example. Appropriate processes have been introduced for sustainable resource management, some of which have also been certified externally (e.g. environmental certificate according to DIN ISO 14001 at Hacht & Huber GmbH).

7. Forecasts, anticipated risks, company development and opportunities

Our opportunity and risk management aims to secure and increase the corporate value of the Electrovac Group in the long term. Our corporate objectives include the early and successful recognition of opportunities as well as the identification and appropriate assessment of risks. The analysis and assessment of the Group's opportunities and risks is the subject of ongoing consideration by the Executive Board and the Group's management.

7.1 Forecast

Planning for the financial year from 1 April 2023 to 31 March 2024 was based on the positive trend in order intake in the past financial year (cumulative order intake in relation to revenue 112%). Consolidated revenue is expected to increase by around +7.0% to EUR 91.2 million, largely due to revenue expansion. Russian customer orders are not included in the planning.

The assumptions for an average euro to US dollar exchange rate are 1.05. No additional regulatory measures are expected. The existing locations will remain in place and form the basis of the planning assumptions for the 2023/2024 financial year. Investments will be distributed across all production sites according to their size. Investments will mainly be made in the expansion of production facilities and the renewal of infrastructure.

EBIT of EUR 5.2 million is expected at Electrovac Group level in the 2023/2024 financial year. Higher budgeted personnel and material costs will result in a projected decrease in EBIT compared to the 2022/2023 financial year.

We expect to be able to maintain staff turnover at the low level of previous years in the coming years. We plan to continue our sustainable resource management.

7.2 Risk report

Risks are classified into risk classes A to C based on their probability of occurrence and impact. Class A risks are risks that could jeopardise the Group's existence. Identified Class B risks could have a lasting negative impact on the Group's development. Other risks were classified as Class C risks.

The following A risks were identified: The Electrovac Group is dependent on the general economic environment. A slump in the global economy due to financial crises, political crises, armed conflicts or health crises may have a significant impact on the planned forecasts for sales or earnings (see sections 1 and 7.1). With the automotive sector accounting for around 57% of its business, the Electrovac Group is heavily dependent on the number of passenger cars produced each year.

A decline or loss of revenue from one of the top customers and a double-digit percentage decline in the number of passenger cars produced were assessed as B risks. Other risks in this category include the loss of a key supplier or the failure of key production facilities or IT systems.

C risks were identified as the loss of key employees, project delays in new product launches, currency risks and price fluctuations on the raw materials markets. The need for early repayment of financial liabilities due to non-compliance with covenant agreements and the emergence of new competitors in Asia are also considered C risks.

Appropriate measures are in place for all identified risks. With regard to the A risk "Coronavirus emergency situation", risk management has proven very effective in recent financial years. There were no production losses, no serious coronavirus cases, and the financial situation remained very stable at all times. Risk management has also proven itself with regard to the risk of "war in Ukraine" and the resulting consequences (energy crisis). Electricity is currently procured via the spot market; optional conversion into commodity futures packages is possible. Natural gas is not required in production. Russian customer orders are not included in the planning.

The group of companies is participating in the transformation of the automotive sector with its products. With our product group of housings for the control electronics of automatic transmissions, we are participating in the higher proportion of automatic transmissions in new vehicles, which is also supported by the increasing number of hybrid vehicles. The Electrovac Group's second major product group, housings for airbag igniters, is not directly affected by changes in the powertrain (e-mobility, hybrid technology).

With regard to B risks: the loss of a top customer or main supplier would lead to short-term losses in revenue if it occurred. To minimise this risk, we continuously strive to acquire new customers and avoid dependence on a small number of suppliers. We therefore assume that we will be able to compensate for any such loss in the medium term by acquiring new customers and

alternative suppliers. IT systems run in external data centres.

We try to assess the risks classified as C risks at all times by constantly monitoring and evaluating the market situation and to keep these risks low or compensate for them quickly by taking appropriate active countermeasures. Employee turnover is very low in the Electrovac Group. Market price risks are partially reduced by hedging. For example, price fluctuations on the raw materials market are partially cushioned by variable sales pricing. The current high volatility of raw material prices (precious and industrial metals) represents an increased market price risk for the Electrovac Group (see "G Risk management for financial risks" in the notes to the consolidated financial statements). Further measures to avoid financial risks are described in the section "G Risk management for financial risks" (financial instruments in accordance with IFRS 7).

The Executive Board of the Electrovac Group believes that the measures taken have left the company well prepared for the occurrence of risks.

7.3 Opportunities report

The opportunities and risks of the Electrovac Group are closely linked. Opportunities are understood to be possible future developments or events that are either already incorporated into the plans or could lead to a positive deviation from the plans.

The Electrovac Group's opportunities also lie in expanding its market share for airbag igniter housings. Overall, we expect average annual sales growth of around 7% over the next three years.

The plant in Thailand also opens up opportunities for labour-intensive products that are difficult to automate.

Further innovations in the field of housings for automatic transmissions and sensor technology in the automotive and non-automotive sectors are creating opportunities to expand the product range.

7.4 Overall statement

Given our financial stability and our highly experienced and capable management team, we believe we are well equipped to tackle the tasks ahead. There are currently no identifiable risks that could jeopardise the Group's continued existence. Taking advantage of the opportunities that arise will lead to corresponding organic growth in the medium term.

8. Other information

8.1 Research and development

The Electrovac Group develops new products, mostly in collaboration with its customers. This involves, for example, developing and testing new designs or manufacturing processes and bringing them to series production readiness. Another focus is the development of new manufacturing equipment used to manufacture the products. A development team of around 19 employees is available for this purpose, which also outsources projects or sub-projects. In the past financial year, development activities focused primarily on the automotive and sensor technology sectors, where work was carried out on several projects.

8.2 Branch office report

The Electrovac Group has its headquarters in Salzweg. In addition to the parent company electrovac AG as the holding company, Electrovac Hacht und Huber GmbH and Beutlhauser GmbH & Co. KG are also based there as manufacturing units.

Another production site is located in Klosterneuburg, Austria, at Electrovac Metall- und Glaseinschmelzungs GmbH. Electrovac Thailand Co. Ltd. serves as both a production and distribution subsidiary in Thailand. Further distribution subsidiaries are located in France (Electrovac France SAS), Japan (Electrovac Japan) and the USA (Electrovac USA Inc.).

8.3 Events after the balance sheet date

For events after the balance sheet date, please refer to our disclosures in the notes to the consolidated financial statements.

9. Risk reporting on the use of financial instruments

Investment loans from credit institutions are primarily used as long-term financial instruments. In the short term, the company is financed mainly through supplier credits and credit lines from various banks. The primary objective of the company's financial and risk management is to protect the company's success against financial risks of any kind.

Salzweg, 31 August 2023

electrovac AG

Executive

Board

Dipl.-Ing. Dieter Thumfart

REPORT OF THE INDEPENDENT AUDITOR

To electrovac AG, Salzweg

AUDIT OPINIONS

We have audited the consolidated financial statements of electrovac AG, Salzweg, and its subsidiaries (the group), which comprise the consolidated balance sheet as of March 31, 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year from April 1, 2022, to March 31, 2023 and the notes to the consolidated financial statements, including material accounting policy information.

In addition, we have audited the Group Management Report of electrovac AG for the fiscal year from April 1, 2022, to March 31, 2023.

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

- the accompanying consolidated financial statements comply in all material respects with IFRS as adopted by the EU and with the additional German statutory requirements applicable pursuant to § 315e (1) of the German Commercial Code (HGB) — and, in compliance with these regulations, present a true and fair view of the Group's net assets and financial position as of March 31, 2023, as well as its results of operations for the fiscal year from April 1, 2022, to March 31, 2023, and
- the accompanying Group Management Report presents a true and fair view of the Group's financial position. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities and risks associated with future development.

In accordance with § 322 (3.1), of the German Commercial Code (HGB), we declare that our audit has not given rise to any objections regarding the correctness of the consolidated financial statements and the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under these regulations and standards are described in more detail in the section titled "THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT" of our auditor's report. We are independent of the Group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the consolidated financial statements and the consolidated management report.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with IFRS as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to § 315e (1) of the German Commercial Code (HGB) in all material respects, and for ensuring that the consolidated financial statements, in compliance with these provisions, present a true and fair view of the Group's net assets, financial position, and results of operations. Furthermore, the legal representatives are responsible for the internal controls they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements resulting from fraudulent acts (i.e., accounting manipulation and financial losses) or errors.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters related to the Group's ability to continue as a going concern, if applicable. In addition, they are responsible for preparing the financial statements on a going concern basis, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

In addition, the legal representatives are responsible for preparing the Group management report, which as a whole provides a true and fair view of the Group's financial position and results of operations, is consistent in all material respects with the consolidated financial statements, complies with German statutory requirements, and accurately presents the opportunities and risks associated with future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) they deemed necessary to enable the preparation of a Group Management Report in accordance with applicable German legal requirements and to provide sufficient and appropriate evidence for the statements made in the Group Management Report.

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the Group management report as a whole presents a fair overview of the Group's financial position and results of operations, is consistent in all material respects with the consolidated financial statements and with the findings obtained during the audit, complies with German legal requirements, and accurately presents the opportunities and risks of future development, and to issue an audit report containing our opinions on the consolidated financial statements and the Group management report.

Reasonable assurance is a high level of assurance, but no guarantee that an audit conducted in accordance with § 317 of the German Commercial Code (HGB), in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraudulent acts or errors and are considered material if it could reasonably be expected that, individually or in the aggregate, they would influence the economic decisions of users made on the basis of these consolidated financial statements and the Group Management Report.

During the audit, we exercise due professional judgment and maintain a critical mindset. We also

- identify and assess the risks of material misstatements in the consolidated financial statements and the group management report arising from fraud or error, plan and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements resulting from fraud will not be detected is higher than the risk that material misstatements resulting from error will not be detected, as fraud may involve collusion, fabrications, intentional omissions, misrepresentations, or the circumvention of internal controls.
- obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the arrangements and procedures relevant to the audit of the consolidated management report, in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these systems.
- conclude on the appropriateness of the accounting methods applied by the legal representatives, as well as the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- conclude on the appropriateness of the going concern accounting policy applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the consolidated management report or, if such disclosures are inadequate, to modify our audit opinion accordingly. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Group being unable to continue as a going concern.
- evaluate the overall presentation, structure, and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying business transactions and events in such a way that, in accordance with IFRS as adopted by the EU, and the supplementary German legal provisions applicable pursuant to § 315e (1) of the German Commercial Code (HGB), present a true and fair view of the Group's net assets, financial position, and results of operations.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business operations within the Group to express audit opinions on the consolidated financial statements and the Group management report. We are responsible for directing, overseeing, and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- evaluate the consistency of the Group management report with the consolidated financial statements, its compliance with applicable laws, and the picture it conveys of the Group's financial position.
- perform audit procedures regarding the forward-looking statements presented by the legal representatives in the Group Management Report. Based on sufficient and appropriate audit evidence, we verify, in particular, the significant assumptions underlying the forward-looking statements made by the legal representatives and assess whether the forward-looking statements have been appropriately derived from these assumptions. We do not express a separate audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant and unavoidable risk that future events may differ materially from the forward-looking statements.

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

Munich, 15 September 2023

BDO AG

Wirtschaftsprüfungsgesellschaft

Braunschläger
Auditor

Werner
Auditor

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electrovac AG, Salzweg

Balance sheet as at 31 March 2025

ASSETS	31 March 2025	31 March	LIABILITIES	31 March 2025	31 March 2024
	EUR	EUR		EUR	EUR
A. FIXED ASSETS			A. EQUITY		
I. Intangible assets	2,330,983.17	2,634,055.16	I. Issued share capital	500,000.00	500,000.00
II. Property, plant and equipment	0	313.31	II. Capital reserve	29,140,671.56	29,140,671.5
III. Financial assets	29,734,932.00	29,254,287.00	III. Retained earnings	2,351,191.49	6
	<u>32,065,915.17</u>	<u>31,888,655.47</u>		<u>31,991,863.05</u>	<u>31,306,217.83</u>
B. CURRENT ASSETS					
I. Receivables and other current assets	2,657,620.31	2,392,248.12			
II. Cash and cash equivalents	83,723.74	63,519.46	B. PROVISIONS	397,801.22	342,057.35
	<u>2,741,344.05</u>	<u>2,455,767.58</u>		<u>397,801.22</u>	<u>342,057.35</u>
C. ACCRUED EXPENSES			C. LIABILITIES		
	18,603.00	48,672.04		2,436,197.95	2,744,819.91
	<u>18,603.00</u>	<u>48,672.04</u>		<u>2,436,197.95</u>	<u>2,744,819.91</u>
	<u>34,825,862.22</u>	<u>34,393,095.09</u>		<u>34,825,862.22</u>	<u>34,393,095.09</u>

electrovac AG, Salzweg

Profit and loss statement for the financial year from 1 April 2024 to 31 March 2025

		2024/25	2023/24
		EUR	EUR
1	Sales	1,344,414.00	1,199,824.00
2.	Gross profit	1,344,414.00	1,199,824.00
3.	Cost of sales	-122,177.73	-51,962.96
4.	General administrative costs	-1,211,170.79	-1,168,921.00
5	Other operating income	2,138.15	2,682.00
6	Other operating expenses	0	-417.48
7	Income from investments	1,305,269.73	570,163.46
	<i>of which from affiliated companies</i>	1,305,269.73	570,163.46
8	Interest and similar income	66,245.00	18,000.00
9.	Interest and similar expenses	-166,515.01	-48,557.35
10.	Income and earnings taxes	-147,558.13	-116,380.06
11	Earnings after taxes	1,070,645.22	404,430.61
12	Other taxes	0	-12.85
13	Net annual profit	1,070,645.22	404,417.76
14	Profit carried forward	1,280,546.27	1,261,128.51
15	Retained earnings	2,351,191.49	1,665,546.27

electrovac AG, Salzweg

APPENDIX FOR THE 2024/25 FINANCIAL YEAR

I. General principles

The company is a small corporation within the meaning of Section 267 (1) of the German Commercial Code (HGB).

electrovac AG is based in Salzweg. The company is registered in the commercial register of the Passau Local Court under number HRB 10281.

The annual financial statements were prepared in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act (AktG). The size-related simplifications of Section 288 HGB were applied in full.

The cost of sales method was chosen for the profit and loss statement. The financial year differs from the calendar year, beginning on 1 April and ending on 31 March.

The individual valuation principle was applied when valuing individual assets and liabilities, and it was assumed that the company would continue as a going concern (Section 252 (1) No. 2 HGB).

The principles of prudence, realisation and imparity were taken into account by only recognising profits realised as at the balance sheet date and otherwise applying prudent and imparity-based valuation. All identifiable risks and imminent losses were taken into account.

II. Accounting and valuation methods

The following accounting and valuation methods were used in preparing the annual financial statements.

1. Fixed assets

Intangible assets acquired for consideration are valued at acquisition cost less scheduled straight-line depreciation. Depreciation is calculated over the normal useful life of 3 to 15 years.

Financial assets are measured at cost, including incidental acquisition costs, and, in the event of an expected permanent impairment, at the lower fair value on the balance sheet date.

2. Receivables and other assets

Receivables and other assets are valued at their nominal amount. Where the conditions for offsetting are met, the option to offset receivables and liabilities in connection with affiliated companies is exercised.

3. Cash

Cash on hand and bank balances are valued at their nominal amount.

4. Equity

Equity is recognised at its nominal value. The subscribed capital of EUR 500,000 is divided into 500,000 no-par value shares.

5. Provisions

Other provisions were recognised for all other uncertain liabilities. All identifiable risks were taken into account and, based on a prudent commercial assessment, measured at the necessary settlement amount. Future price and cost increases are taken into account if there are sufficient objective indications that they will occur. As there are no remaining terms of more than one year, no discounting was applied.

6. Liabilities

Liabilities are measured at their settlement amount.

III. Information on the balance sheet

1. Financial

Financial assets mainly comprise shares in subsidiaries, totalling EUR 29.7 million.

2. Receivables and other assets

All receivables, including receivables from affiliated companies and other assets, are due within one year. The total amount of receivables and other assets of kEUR 2,658 (previous year: kEUR 2,392) includes kEUR 2,656 (previous year: kEUR 2,375) in receivables from affiliated companies. Receivables from affiliated companies include

kEUR 137 (previous year: kEUR 42) from trade receivables and kEUR 2,519 (previous year: kEUR 2,333) from income from investments.

3. Equity

As in the previous year, the capital reserve amounts to kEUR 29,141.

4. Liabilities

in kEUR	Total	Remaining terms			> 1 year
		Up to 1 year	1 to 5 years	Over 5 years	
Liabilities to Credit institutions	1,000	500	500		500
	-1,667	-667	-1000		-1000
Trade payables	12	12			
	-11	-11			
Liabilities to affiliated companies	1,399	1,399			
	-645	-645			
Other liabilities	25	25			
	-422	-422			
Total	2,436	1,936	500		500
	-2,745	-1,745	-1000		-1000

Liabilities to banks are partially secured in the previous year by the pledging of industrial property rights and the assignment of licences as security. Liabilities to affiliated companies represent a loan. The figures in brackets are the previous year's figures.

IV. Information on the profit and loss account

1. Sales

Sales includes kEUR 837 (previous year: kEUR 738) from licence income and kEUR 508 (previous year: kEUR 462) from group allocations.

2. Financial result

The financial result amounts to kEUR 1,205 (previous year: kEUR 540) and comprises income from investments in affiliated companies of kEUR 1,305 (previous year: kEUR 570) and net interest income of kEUR -100 (previous year: kEUR -31).

V. Supplementary information

1. Average number of employees

An average of 0 (previous year: 0) employees were employed during the financial year.

2. Other financial obligations and contingent liabilities

A binding letter of comfort in the amount of kEUR 1,000 was issued to a bank in favour of the subsidiary Beutlhauser GmbH & Co. KG, Salzweg. The letter of comfort is limited to the period during which the subsidiary utilises the loan.

3. Executive bodies

The member of the Management Board is:

Dieter Thumfart, Dipl.-Ing.,
Chairman of the Executive Board

The members of the Supervisory Board are:

Christian Fürst, Dipl.-Betriebswirt
(FH) Managing Director
Chairman

Oliver Mühlberger, Lawyer
Deputy Chairman

Martin Wösner, tax advisor

The remuneration of the members of the executive bodies is not disclosed in accordance with Section 288 (1) of the German Commercial Code (HGB).

4. Information on subsidiaries

Company	Registered office	Country	Share of capital	Equity in kEUR	Annual result 2024/25 in kEUR
Electrovac Hacht und Huber GmbH	Salzweg	DE	100	22,150	3,346
Electrovac Metall-Glasseinschmelzungs GmbH	Klosterneuburg	AT	100	10,772	1,629
Electrovac France SAS	Rungis Cedex	FR	100	16	0
Electrovac Japan K.K.	Osaka	JP	100	253	-4
Beuthhauser GmbH & Co. KG	Salzweg	DE	100	62	805

5. Events of particular significance after the balance sheet date

There have been no events of particular significance since the balance sheet date.

Salzweg, 11 December 2025

electrovac AG
Management Board

Dipl.-Ing. Dieter Thumfart

REPORT OF THE INDEPENDENT AUDITOR

To electrovac AG, Salzweg

AUDIT OPINION

We have audited the financial statements of electrovac AG, Salzweg — consisting of the balance sheet as of 31 March 2025 and the income statement for the fiscal year from 1 April 2024 to 31 March 2025 as well as the notes, including material accounting policy information.

In our opinion, based on the findings of our audit, the accompanying financial statements comply in all material respects with the German applicable to corporations and, in accordance with German principles of proper accounting, present a true and fair view of the Company's net assets and financial position as of 31 March 2025 as well as its results of operations for the fiscal year from 1 April 2024 to 31 March 2025.

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections regarding the regularity of the annual financial statements.

BASIS FOR THE AUDIT OPINION

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under these regulations and standards are described in more detail in the section "AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE Financial Statements" of our auditor's report. We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinion on the financial statements.

NOTICE OF OTHER MATTERS

The financial statements prepared by the Company's legal representatives—consisting of the balance sheet as of March 31, 2024, the income statement for the fiscal year from April 1, 2023, to March 31, 2024, and the notes to the financial statements, including a description of accounting policies—have not been audited by an auditor.

Our audit opinion on the financial statements is unmodified in this respect.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

The legal representatives are responsible for the preparation of the financial statements, which comply in all material respects with the German commercial law provisions applicable to corporations (Kapitalgesellschaften), and for ensuring that the financial statements present a true and fair view of the Company's net assets, financial position, and results of operations in accordance with German generally accepted accounting principles. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German generally accepted accounting principles to enable the preparation of financial statements that are free from material misstatements resulting from fraudulent acts (i.e., accounting manipulations and financial losses) or errors.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters related to the company's ability to continue as a going concern, where applicable. In addition, they are responsible for preparing the financial statements based on the going concern principle, unless actual or legal circumstances preclude this.

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

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements due to fraud or error, and to issue an auditor's report that includes our opinion on the financial statements.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW) will always detect a material misstatement. Misstatements may result from fraud or error and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions of users made on the basis of these financial statements.

During the audit, we exercise professional judgment and maintain a critical attitude. We also

- identify and assess the risks of material misstatements in the financial statements due to fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of the internal controls relevant to the audit of the financial statements in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- evaluate the appropriateness of the accounting policies applied by management and the reasonableness of the estimates and related disclosures made by management.
- conclude on the appropriateness of the going concern accounting principle applied by the legal representatives and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Company being unable to continue as a going concern.
- evaluate the overall presentation, structure, and content of the financial statements as a whole, including the disclosures, and whether the financial statements present the underlying transactions and events in such a way that the financial statements, in accordance with German generally accepted accounting principles, provide a true and fair view of the Company's financial position, results of operations, and cash flows.

We communicate with those responsible for oversight, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

München, 15 December 2025

BDO AG
Auditing Firm

Braunschläger
Auditor

Werner
Auditor