

2023

ANNUAL REPORT OF HÖRMANN INDUSTRIES GMBH



Key figures at a glance

Financial position and results of operations

(in EUR million)

	2023	2022	2021	2020
Sales	830.9	685.7	589.8	521.5
Total output ¹⁾	816.5	709.0	626.8	521.5
Gross profit	353.3	305.2	294.6	256.0
EBITDA ²⁾	44.5	35.3	45.3	25.5
EBIT ³⁾	30.7	23.7	30.0	12.6
Cash flow from operating activities	31.9	-7.2	21.1	28.3
Cash flow from investing activities	-24.8	-2.9	-3.5	-14.5

Net assets

(in EUR million)

	31. Dec. 2023	31. Dec. 2022	31. Dec. 2021	31. Dec. 2020
Total assets	376.7	364.8	341.7	324.7
Equity	136.6	136.4	131.1	120.8
Equity ratio % ⁴⁾	36.3%	37.4%	38.4%	37.2%
Working capital ⁵⁾	110.8	112.4	78.7	66.1
Net cash and cash equivalents ⁶⁾	59.2	65.3	84.3	73.2
Employees ⁷⁾	2,919	2,876	2,787	2,774

¹⁾ Sales plus change in inventories and other own work capitalised

²⁾ Consolidated net income before depreciation and amortisation, financial result and income taxes

³⁾ Consolidated net income before financial result and income taxes

⁴⁾ Equity/total assets

⁵⁾ Inventories plus trade receivables less trade payables

⁶⁾ Bank balances less liabilities to banks

⁷⁾ Average number for the year without trainees

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HÖRMANN

Group stable in spite of macroeconomic stagnation and inflation

INTERVIEW WITH THE MANAGEMENT BOARD

In 2023, the German economy slipped into a phase of inflation and stagnation, known as stagflation. That is why many companies tend to have a rather pessimistic view of the developments in the 2024 financial year – but not the HÖRMANN Group. In spite of continued high costs, a shortage of skilled workers, high interest rates and a weak economy, the HÖRMANN Group sees itself well-positioned because of its broad diversification, and it still has an optimistic view of the future. In the interview, the Management Board explains the focus of its future strategic development and the initiatives in areas that are important for the future such as “human resources”, “sustainability” and “digitalisation”. A peer-to-peer discussion with Michael Radke, Johann Schmid-Davis and Christian Baur ...

How is the HÖRMANN Group positioning itself in times of inflation and stagnation?

Michael Radke The combination of inflation and stagnation presents a new, demanding challenge to the HÖRMANN Group. It is essential that we remain flexible and continuously adjust our strategies to be able to keep up with the changing economic conditions.

Cost increases caused by inflation are adversely affecting our profit margins to a high degree and may put our competitiveness at risk. At the same time, stagnating or even declining market demand may also put our sales and earnings forecasts and long-term business objectives at risk. The combination of stagnating or declining business volume and sharply increasing costs is especially a big challenge in our Automotive division; after three years of loss in a row an operative turnaround was successful for the first time in the past financial year. However, this is nowhere close to being able to finance the high demand for investment in this business. In order to successfully handle this challenge, we must continue to improve the efficiency of our operational processes and significantly reduce costs in all of our

value creation processes and in the administration. We also need to convince our customers to accept higher prices for our services.

In times of high inflation, strict price management is the key to success, and the diverse HÖRMANN Group has a combination of short and long-term business. Short-term business such as at VacuTec often only has short-term price fixing, and its sales can be more quickly adjusted to inflationary cost increases. Other areas such as the automotive business are more difficult with their long-term master agreements and price agreements. In these cases, tedious negotiations are necessary to pass on cost increases by sale prices, and cost increases often only take place after an extensive time lag which has an extreme adverse effect on the companies' results of operations and financial position. In the project business such as in intralogistics, we often have throughput times of 1–2 years after the conclusion of the contract at a fixed price, which means that rising inflationary costs either cannot be passed on at all or can only be passed on to the customer by supplements and negotiation skill. In times of rising inflationary costs, the strength of a meaningful cost accounting system and an expert sales department pay off.

> Dr.-Ing. Michael Radke, CEO (center) in conversation with Johann Schmid-Davis, CFO (left) and Dr.-Ing. Christian Baur, CTO (right)



In spite of the extraordinary challenges in the last two financial years, I would like to emphasise that the HÖRMANN Group has managed these difficult times well as a whole and is in a stable position for the future as well with its broad diversification in over 13 sectors. We are more resistant than others to market fluctuations and economic developments because of our broad base of early-cycle and late-cycle sectors, our tendency to have short-term and long-term business in various customer industries, because of various types of business such as the product business, system business/plant engineering with a high proportion of sales of products and because of a broad range of services. This is why we are looking into the future with confidence and will continue to pursue the strategy of broadly diversifying the position of the HÖRMANN Group – this is what HÖRMANN is made of!

What aspects would you like to emphasise as milestones from the 2023 reporting period?

Johann Schmid-Davis One of the greatest successes was that we were able to successfully end the 2023 financial year in spite of difficult prospects and conditions. We completed the past year with sales of around EUR 830 million and operative EBIT of more than EUR 30 million. Earnings in this amount were not yet foreseeable at the mid-year point. In the fourth quarter, our employees vigorously completed the large projects, also delivered many other orders and thus made the good, positive earnings possible with a strong sprint to the finish line.

I would especially like to emphasise that we were even able to slightly reduce working capital by the end of the year compared to 2022 by stringent, targeted working capital management in spite of a strong increase in business volume and sales growth of EUR 145 million – or more than 20%. In spite of inflationary effects, we managed our working capital that rose sharply during the year by targeted measures to optimise our operative processes and our inventory as well as by efficient management of our receivables and liabilities. This not only reflects our operative efficiency but also strengthens our financial stability and flexibility. We will also continue our efforts to improve our working capital efficiency and to put the HÖRMANN Group on a solid foundation for future growth.

In July 2023, we were also able to successfully place a new corporate bond with a total volume of EUR 50 million, a term of five years and an annual fixed interest rate of 7.0%. There was strong demand for the 2023/2028 bond from institutional investors in Germany and abroad as well as from private investors. This allowed us to strengthen our financial position, and we have a sufficient cushion for the challenges in 2024 with our liquidity at the level of the end of 2022.

We would specifically like to take the opportunity to thank our investors for the trust that they have placed in us. This result strengthens our reputation as an established issuer and trustworthy partner. We also see our strategic decision to permanently anchor the capital market as a financing component in our company confirmed once again. With the 2023/2028 bond, we will continue to develop our four business divisions and our diversified financing structure in a targeted manner.

What does the HÖRMANN Group think about the shortage of skilled workers?

MR The shortage of skilled workers is certainly one of the greatest challenges for all companies in Germany, and the shortage of skilled workers will intensify in the next few years because of the demographic trend. There is no magic formula to cover our needs for workers and skilled labour in the future as well but only a broad mix of various initiatives. The HÖRMANN Group bolstered various measures and launched new initiatives in 2023.

Our in-house staff recruitment is a measure to secure our performance and competitiveness and to achieve more growth potential in the long term. With our effective in-house recruiting team, we ensure that we gain the right talent for our company. Our focus is on gaining qualified employees who not only have the required skills and experience but also share our corporate culture and values.



» We have constructively accepted the challenges from the past year and learned important lessons from them that make us stronger and more resilient. «

MICHAEL RADKE, CEO

Another essential measure is to reinforce our employer branding activities, to increase awareness of the HÖRMANN Group and to position HÖRMANN as an attractive employer. To do so, we will have an increased presence at university career fairs and recruiting trade fairs in 2024 to enthuse suitable skilled workers about the HÖRMANN Group.

In addition to gaining new employees, retaining the current staff is also an important aspect. We have also started various initiatives in this area. We now have established our in-house “HÖRMANN learning worlds” to promote training and further education of our employees.

We purposely capitalise on the advantages that mid-size companies have over large corporate groups: We offer young employees challenging tasks and entire projects very early on where they can really

influence things and make a difference. This offers them many opportunities to develop, to meet the challenges and to take responsibility an early stage. Our JUMP programme shows that these kind of tasks are motivating. The Junior Management programme offers young people a wide variety of insights into the HÖRMANN Group and good career opportunities. After completing the programme, all trainees have taken on tasks with responsibility where they make a valuable contribution today to the further development of the HÖRMANN Group.



» One of the greatest successes was that we were able to end the 2023 financial year on a positive note in spite of the difficult prospects and conditions. We completed the past year with sales of around EUR 830 million and EBIT of more than EUR 30 million. «

JOHANN SCHMID-DAVIS, CFO

What were the most important digitalisation aspects in 2023?

Christian Baur One of the most important aspects for the HÖRMANN Group as well as for many other companies is how to effectively address the topic of artificial intelligence.

One of our top aspects currently is “GenAI”. Everyone is talking about generative AI since the rapid ascent of the Chat GPT application. The technology is still young. First of all, it is important to answer the following questions. How can this technology help us in general? For example, can we use AI to make customer support processes more efficient? How can we use it to optimise our internal procedures? Can we make more dependable, powerful systems available to our customers with the help of AI?

We are working intensely on all of these questions. We are investing in this expertise as part of the further development of HÖRMANN Digital whose digitalisation experts are currently working on developing appropriate use cases with the various divisions.

Predictive maintenance is an important aspect for the companies of the HÖRMANN Group that produce and deliver products/systems. Predictive maintenance describes the ability to maintain machines or systems before they become defective and thus shut down. That is why it is often also referred to as proactive maintenance. The productivity increase that

can be achieved by this saves the HÖRMANN Group and its customers a lot of time and money. The requirement for predictive maintenance is intelligent interaction of multiple technologies: sensors and the Internet of Things (IoT), data storage and processing (data science) and often artificial intelligence (AI) as well.

This will allow our customer service or maintenance in the future to react proactively based on data instead of intervening reactively when there are acute problems. In cooperation with the experts from the HÖRMANN Group’s core business, HÖRMANN Digital will implement initial predictive maintenance applications in 2024. In 2023, experimental work was done in the Maintenance division of HÖRMANN Automotive Gustavsburg GmbH to prepare these applications.

In addition to external digitalisation, internal digitalisation is also crucial for the HÖRMANN Group. In this area, we have made good progress step by step and are still working intensely on networking our individual companies with a uniform, homogeneous system platform and various ERP systems.

Now the outlook for 2024 – what areas will the HÖRMANN Group invest in?

JSD IT security is playing an increasingly important role among all the different aspects of digitalisation. A successful attack on IT security can have severe consequences, including financial losses, reputational damage and even legal consequences. That is why companies need to act proactively to protect their IT infrastructure from threats. This requires not only implementing robust security measures and using the most modern technology but also creating a culture of security within companies. Employees must be sensitised about potential risks and be trained about proven security practices. We have already invested in these areas and will continue to do so.

CB One area that the HÖRMANN Group is focusing on is investing in software development. The new software programme CCCS-3i is an outstanding project in the **Communication** division. The software contains a redevelopment or modernisation of the control software for HÖRMANN Warnsysteme GmbH’s siren systems. The goal is to offer customers around the world contemporary user guidance and improved operability. In the Communication division, we are

also consistently investing in further developing 5G in order to handle customer orders in the best possible way. And we are investing in developing new products in the area of passenger information systems to appropriately perform long-term master agreements by providing new products.

The largest investments in machinery and systems as well as tools that secure long-term master agreements for us are in the **Automotive** division.

Comprehensive research and development work is being carried out in the **Engineering** division and is also being publicly subsidised. By developing a strong partner network, we are increasing our ability to innovate and are simultaneously managing the costs.

In the **Intralogistics** division, we are investing primarily in expanding our HILIS software, the “heart” of every complex automation solution. The expansion is not only about functionalities but especially about using cloud capabilities. In addition, as already mentioned, we are continuing to work on our predictive maintenance functionalities. In 2024, we will perform a test with HÖRMANN Klatt Conveyors GmbH where a plug-and-play-capable predictive maintenance solution will be used with customers for the first time.

How is the HÖRMANN Group positioning itself regarding the aspect of “sustainability”?

MR We are publishing our third sustainability report this year. The aspect of sustainability has become a fixed component of our corporate culture and our business processes.

As a family-owned company, HÖRMANN places special emphasis on sustainable corporate governance. Our sustainability strategy is guided by the principles of the “United Nations Global Compact” and the “Sustainable Development Goals” of the United Nations. There is now a sustainability officer at every company, and there is a sustainability manager at the holding company with expertise for the Group. >

We already have sustainability management that works well, that records the most important key performance indicators every year and that is being successively expanded with the new European rules and regulations in mind. This has raised significant awareness about sustainability at the HÖRMANN Group.

Sustainability is a crucial aspect today not least because our customers also demand sustainable action and sustainable production from us. Proof of sustainability performance and ratings guarantees customer orders. We are consistently working on refining our sustainability strategy. A reduction of our carbon footprint is sure to lead to higher investments in the next few years, which we plan to use to achieve the goal of the Paris Climate Change Agreement by 2030.

Some of our products are also increasingly oriented towards sustainability criteria. This also has an effect on product development. In our development processes, we are increasingly networking with research institutes to push ahead with new sustainable product concepts together. An example of this is the first hydrogen fuel-cell streetcar in Europe, and HÖRMANN Vehicle Engineering in Chemnitz is participating in its development. We are also currently working on a new production line for a chassis that is to be installed in an electric truck, even though this is only one indirect contribution to sustainability. The finishing touch on our product portfolio is the many projects for Deutsche Bahn. These projects entail a wide variety of activities that contribute to expanding and boosting rail transport, thus making an indirect contribution to improving the climate.

What does the HÖRMANN Group's planning for the current financial year 2024 look like?

JSD The HÖRMANN Group is facing challenges that are similar to what all German industrial companies are dealing with. We find ourselves in a period of stagnation. Accordingly, the HÖRMANN Group is facing big challenges.

In the **Automotive** division, we must adjust to a significant decline of call-off figures since incoming orders from our customers declined sharply in the past year. In 2024, a positive contribution to earnings is still

planned in this division because of the diversification of our customer portfolio, the price adjustments agreed last year and the cost reduction measures already initiated in the fourth quarter of 2023.

The **Intralogistics** division is also facing challenges. Customers are currently postponing many planned investments in intralogistics because of the economic risks and high interest level. We are counteracting this development with targeted cost reduction measures, and although we are expecting a sales reduction we continue to assume that we will achieve at least a result at the previous year's level in this division. In the medium term by 2027, we continue to see growth potential here with an EBIT target corresponding to over 5% of total output.

In the **Engineering** division, we are expecting sales at the previous year's level. We were able to intensify our international sales activities in the railway vehicle industry that is growing globally and were thus able to increase the orders on hand for engineering railway vehicles in the past financial year to a range of more than one year.

In the **Communication** division, we expect ongoing, good business performance at a continued above-average earnings level. The main customers come from the railway industry that is benefiting in particular from global megatrends such as urbanisation, population growth and rising environmental awareness. Accordingly, the order books of the German railway industry are well filled. However, it remains to be seen what the effects of the most recent budget cuts will be. The good international order trend is even more important in the train radio product area that is strengthened by integrating Radionika Sp. z o.o. headquartered in Kraków, Poland in which a majority interest was acquired. The passenger information systems product area also has full order books and is looking into the future with a great deal of confidence. Thus, the Communication division is our stable anchor for the challenges of 2024.

Overall, we can see once again that the diversification strategy of the entire HÖRMANN Group provides good stability



» One of the most important aspects for the HÖRMANN Group as well as for many other companies is how to effectively address the topic of artificial intelligence. «

CHRISTIAN BAUR, CTO

And what are the HÖRMANN Group's main objectives for 2024 and beyond?

MR When we look at the current environment, the message from a strategical viewpoint for 2024 is for us to continue to shape the future but to do it with good judgement. Of course, we are significantly more cautious at the moment about our expenses for future projects and investments in machinery and systems. Nevertheless, we are vigorously pushing

ahead to implement our defined strategies as well as to refine our companies, our products and business processes.

One of the crucial challenges that still remains in our time is to gain skilled workers. Given the dynamic changes seen in business and society, it is vitally important to gain, retain and develop qualified workers. Investments in training and continued education as well as creating attractive working conditions

are essential to counteract the shortage of skilled workers and to secure the future of the Group in the long term.

Further digitalisation of our internal business processes is crucial in order to remain competitive and to meet the requirements of an increasingly digitalised world. Further optimisation and automation of processes will enable us to achieve efficiency increases, lower costs and to simultaneously improve the quality of our products and services. High performance, efficiency and quality are the crucial criteria for maintaining the competitiveness of companies in Germany where high wages prevail. Optimal use of digitalisation is an important key for the future. Increased international business activities also remain as one of our goals. The Intralogistics division offers a very good foundation for this since it has the largest potential for internationalisation even outside of Europe such as in the USA. However, we are becoming more and more international in other divisions as well. Good examples of this are the expansion of the siren business in Bulgaria, the use of train radio systems in Spain and increased marketing of engineering services in India, a strongly growing market.

That is why we are looking to the future of the HÖRMANN Group with both confidence and a vision. Although this year may be characterised by stagnation or even a recession, we believe in the pent-up demand and impetus of the market. The HÖRMANN Group is well positioned with its products and services in important future-oriented industries.

We have constructively accepted the challenges from the past year and learned important lessons from them that make us stronger and more resilient. We are firmly convinced that our strategies and investments will create long-term value for our Group and our stakeholders. Our team at HÖRMANN is highly motivated to break new ground, to take advantage of growth opportunities and to strengthen our market position.

We would like to thank our employees, customers, partners and investors for their support and their confidence in us. Long-term partnerships built on trust are the key to being successful even in challenging times and to achieving our objectives together. ♦



» The combination of inflation and stagnation is a new, demanding challenge for the HÖRMANN Group. It is essential that we remain flexible and continuously adjust our strategies to be able to keep up with the changing economic conditions. «

MICHAEL RADKE, CEO

Broad diversification with four strong business divisions



For 69 years, **HÖRMANN Group** has been on the move where innovations are created. With continuous investments in the expertise of its employees and in the latest technologies, the family business has now grown to around 30 independent companies. They are successful in four business divisions: Automotive, Communication, Intralogistics and Engineering. The divisions support each other, ensuring a high level of stability for the group and creating synergies. The joy of shaping change and the future is infectious – the following projects provide an insight ...





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MICHAEL RADKE, CEO

Engineering

HÖRMANN Vehicle Engineering GmbH

Transfer of expertise to railway vehicle producer in Taiwan

At the end of 2023, HÖRMANN Vehicle Engineering GmbH (HVE) was able to complete a project that lasted five years that was unique in its kind and also atypical compared to previous development projects. The engineers of railway vehicle producer Taiwan

specialists from HVE had the responsibility of conveying knowledge to the participants in the form on-site classes in Taiwan. Because of corona, travelling had to be suspended, and starting in 2021 it was continued by mutual interest on a monthly basis as an online presentation by video conference.

Long-term approach to international collaboration strengthens image

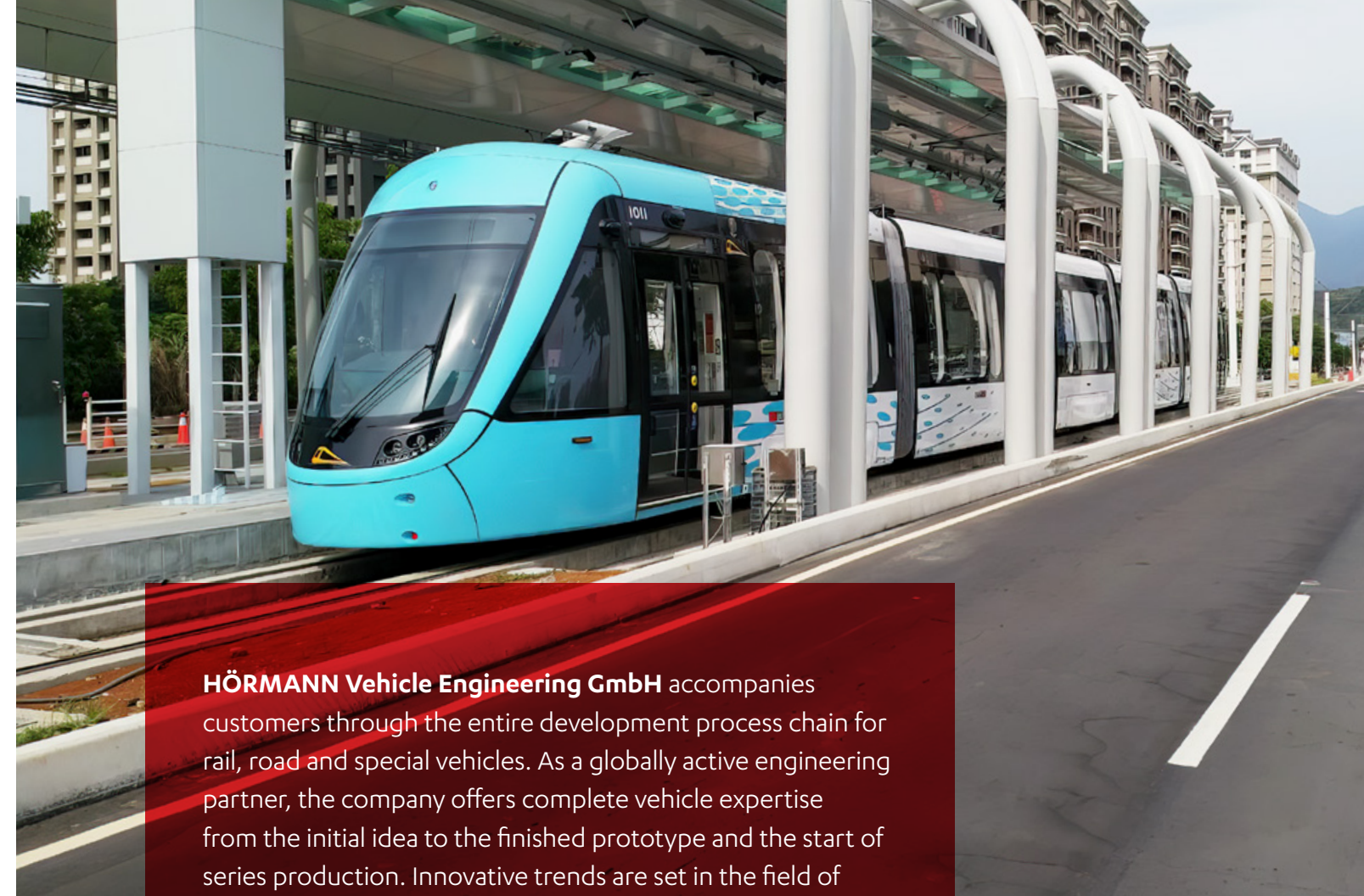
This contractually agreed project with Japanese manufacturer Sumitomo as the orderer and TRSC as the beneficiary of the transfer of expertise was launched in 2018 by a condition in an economic development measure of the Taiwanese government. For the Sumitomo Corporation, it was crucial that HVE had already collaborated with TRSC on a project between 2014 and 2017. A five-component low-floor tram for New Taipei City has been completed in this vehicle development project. HVE not only assumed the complete mechanical and electrical development but also the planning, implementation and testing of a new vehicle control system. In addition, the customer was helped with manufacturing planning and construction of the body-in-white fixtures. The engineers were able to include almost the entire range of services at HÖRMANN Vehicle Engineering in this project.

A large part of the deliveries and systems for the first series that included 15 vehicles was brought from Europe to Taiwan. The trams were assembled and put into operation in Taiwan. During the course of this project, the HVE engineer team conducted an extensive knowledge transfer initiative, and some Taiwanese engineers from TRSC were even integrated into local HVE work teams in Chemnitz and Dresden.

Rolling Stock Corporation (TRSC) were taught basic and speciality knowledge regarding procedures for developing railway vehicles in a total of 31 multi-day training events each with 25 lessons.

The content was selected in such a way that the team of the Development department at TRSC was enabled to independently develop railway vehicles in the future. The training topics of the program were divided up into eight modules in which all key priorities of development activities were explained: for vehicle architecture, for body shells and interiors, bogies and chassis, electrical engineering and functional design to calculation and simulation tasks as well as RAM and safety.

HVE created the training documents in the form of presentations on the specialised subjects that were agreed in advance. Until 2019, engineers and



HÖRMANN Vehicle Engineering GmbH accompanies customers through the entire development process chain for rail, road and special vehicles. As a globally active engineering partner, the company offers complete vehicle expertise from the initial idea to the finished prototype and the start of series production. Innovative trends are set in the field of lightweight construction and the use of new materials and drive technology.

Bilateral benefits from sharing knowledge and experience

This project was also an important benefit for HVE: in multiple divisions, comprehensive documentation of the knowledge at HVE took place when the training documents were created, and at the same time internal structuring and systematising of work processes were able to be achieved. And not least, new employees in the initial training phase can get up to speed more quickly and be on par with the common level of knowledge because of the existing documents.

International cooperation by intercultural skills and maintaining relationships

The project for transferring expertise initiated long-term collaboration between TRSC and HÖRMANN Vehicle Engineering GmbH. The purpose of the training sessions was to push ahead with the technical development of TRSC's development skills. The effects of the shortage of skilled workers even in Taiwan, the stronghold of the semi-conductor

industry, led to the fact that many of the engineers that were well trained by HVE left TRSC and work in the chip industry today.

Despite the fact that this project was completed in 2023, the chances of further collaboration with this Taiwanese railway vehicle manufacturer are very good. TRSC intends to continue the current cooperation with HVE for a planned upgrade of the vehicle design of the New Taipei City tram. The intercultural skills that were acquired in the development project and especially during the training project as well as the resulting personal relationships between the employees of both companies are a good basis for continuing this exemplary international development collaboration.

HÖRMANN BauPlan GmbH

Technical upgrade of the Halle indoor public swimming pool – preservation of a unique historical building from the Art Nouveau era

The building services engineering team (TGA) at HÖRMANN BauPlan GmbH was commissioned in 2023 with upgrading the technical equipment of the historical indoor public swimming pool in Halle. The indoor public swimming pool is an architecturally valuable building from the Art Nouveau era. It was erected in the years 1913–1915 according to the plans of Wilhelm Jost, director of urban development in Halle.

History and importance

The building complex of the indoor public swimming pool has continuously served as a swimming pool since it was opened in 1916. It is noteworthy that this historical building has largely been preserved over this long period of time when it comes to the building's historical elements and overall structure. The indoor public swimming pool has two water areas, a 25metre pool in the historical men's hall and a round pool in another room in the historic women's swimming-pool hall. The women's pool hall is reminiscent of an oriental thermal bath with its intriguing oval layout and ornamentation and is the jewel of the public pool building. Then the front part of the building with the entrance hall and north and south wings and a more than 35-metre tall former water tower connect to this. The interior equipment of the public

pool building from that time is still present to a large extent. This also includes a historical sauna, bathtub compartments and public showers.

The residents of the city have a strong connection with the historical building since it has been used for decades as an indoor public swimming pool. The public pool building is an important cultural asset of the city of Halle; the tradition of swimming is part of the history that is literally "set in stone" because of this building. Thanks to the outstanding urban and architectural location, it is very important to the city of Halle that the public pool building is kept functional.

Challenges associated with the upgrade

The goal of the order from the city of Halle to HÖRMANN Bauplan was to plan a comprehensive upgrade and renewal of the entire technical equipment of the indoor public swimming pool and selected building parts that would meet today's requirements of accessibility, security and optimisation of energy use but at the same time would protect the historical building and the aesthetic design aspects of Art Nouveau.

Restoring the roof and ceiling construction of the men's hall – originally erected in 1915 as a barrel vault and replaced in the 70s by a simple functional roof made of corrugated sheet metal – gave the TGA from HÖRMANN Bauplan special planning challenges. The task of the upgrade was to restore the original impression of the room from the Art Nouveau era with its unique aesthetic design features. The roof upgrade was not only a special challenge for heating and ventilation but also for renewing the lighting and overall acoustics.

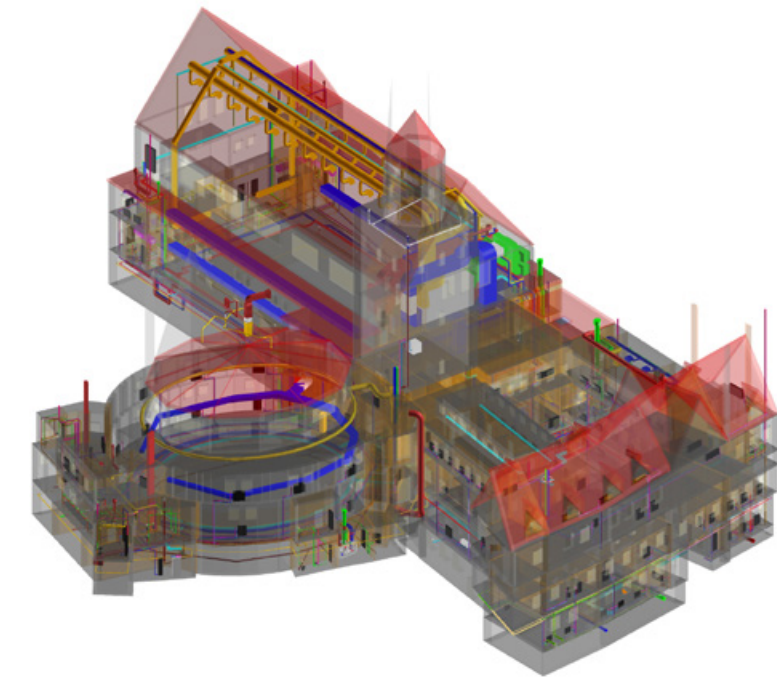
The remaining technical building equipment also needed a substantial upgrade because of its age. Some of the special technical challenges included integrating modern technical equipment and piping

into the existing spaces that were very narrow because of the building construction and included dealing with influences from the chlorinated, very humid air from the pool areas. The special requirements for soundproofing and fireproofing the swimming pool building came from the frontage location close to a youth hostel and near residences that also had to be taken into account.

To make it attractive to use the swimming pool building, rental areas for sports and health services were to be re-created for example for using parts of some areas for a martial arts school or for physical therapy or a barber shop.

An excellent reference project for HÖRMANN BauPlan GmbH

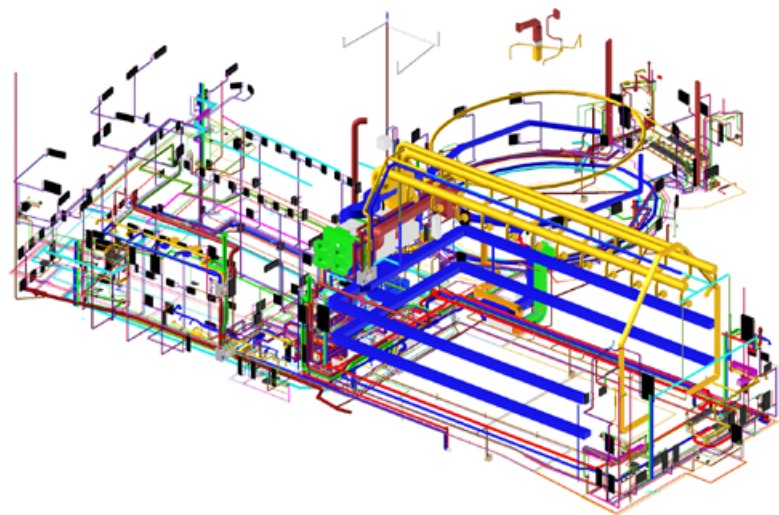
As a result of the planning work that was performed, HÖRMANN BauPlan GmbH was successful at achieving



As a general planner, **HÖRMANN BauPlan GmbH** stands for all services required within the construction industry. The company provides general planning services and detailed solutions for industrial, commercial, residential and public buildings. Customers are supported from the initial idea to the turnkey property.

a "sensitive", successful balance in this challenging project between the requirements of the latest technology and today's normal expectations of use as well as standards related to monument protection to preserve the elements of historical buildings.

"We are proud that we have achieved the goal of continued uninterrupted use of the pool building as it has been since it was built in 1916 and have achieved a wide variety of goals such as using the latest technology, communicating architectural history and preserving the swimming tradition for future generations", Dr Lars Keppler and Ronny Wehlend from HÖRMANN BauPlan GmbH explained.



VacuTec Meßtechnik GmbH

Radiometric in-line quality assurance of coatings by means of ionisation chambers

VacuTec Meßtechnik GmbH has developed into one of the leading companies in the world for gas-filled radiation detectors. Its many years of experience in developing and manufacturing industrial ionisation chambers make it possible to offer the best application-specific solutions for its customers' different measurement tasks.

Industrial coating thickness measurements at the highest level

Quality requirements for manufacturers of ribbon-shaped materials such as steel, aluminium, plastics, paper and many other materials are becoming increasingly greater. The speed of production facilities is growing, and the requirements for precision

measurements are also increasing. In particular, coating processes such as for galvanising body panels and currently for coating electrode material for manufacturing batteries for electromobility are providing new challenges for sensors that measure coating thicknesses.

In the production of battery foils, chambers optimised for beta radiation with an entrance window made of titanium make it possible to obtain extremely precise measurement results when measuring coating thickness. Industrial quality control requires an in-line and online determination of the parameters during ongoing production. Radiometric measurement of material thickness is the best measurement method that provides dependable readings even under the most difficult industrial conditions.

Specialist for ionisation chambers

VacuTec is the global specialist for developing and producing industrial sensors in the form of ionisation chambers. Ionisation chambers from VacuTec are mainly used for traversing measuring systems and serve the purpose of sensors for measuring radiation in transmission or backscatter processes. They are known by their compact design, stability and long service life and are suited for use in the area of challenging industrial applications. The chambers have a very high thermal stability and are ideally suited for high-speed processes due to their time constant of only a few milliseconds. The 15–250 µm thick radiation entrance windows are made of steel, aluminium, plastic, titanium or beryllium foils that are welded or glued to the chamber body in a gas-tight manner. Then the ionisation chambers are filled at the specially developed pump mechanisms with high-purity noble gases (Xe, Ar, Kr) and defined pressure. Customer-specific advice about a wide variety of combinations of filling gas and window materials also enable special production according to highly specialised requirements at the request of customers.

The ICW method (instantaneous cross web) is a special form of radiometric measurement for a one hundred percent check of the coating thickness when producing ribbon-shaped materials. A line radiator is used as radiation source. The detector is an

ionisation chamber array that is divided into several measuring zones (up to 64 individual cells). The measuring signal is continuously available for every measuring zone and for all measuring zones simultaneously. In comparison to customary traversing measurements, the ICW method records 100% of the cross profile of the basis weight distribution and the coating thickness and recognises inhomogeneities.

High growth potential for VacuTec industrial measurement technology

With this technology, VacuTec wants to open up new areas of application in the area of industrial measurement technology. This lucrative market segment promises further growth alongside VacuTec's long-established medical technology.



> Pumping units for evacuation of air and filling the ionisation chambers with noble gas



> Ionisation chambers are used for measuring thicknesses/areas in the steel, paper, foil and battery industry. Their robust construction enables them to be used in difficult environmental conditions. Their wide linear working range and long service life add to the broad scope of application and robustness. The ionisation chambers are filled with highly-pure gases (Xe, Ar, Kr).

Chamber windows are in the range of 15–250 µm thick and can be made of steel, aluminium, plastic, titanium or beryllium foils. Customer-specific advice about a wide variety combinations of filling gas and windows enables customer-specific production for highly specialised requirements in addition to the standard portfolio.



> A complete measuring head in a standard housing that consists of an ionisation chamber with a customer-specific configured amplifier.

Founded as Vakutronik in 1956, **VacuTec Meßtechnik GmbH** now develops, produces and sells a wide range of gas-filled detectors for measuring ionising radiation with around 60 highly qualified and committed employees. The globally recognised high-end products are used in medicine, industrial measurement technology and environmental monitoring.



» When it comes to digitalisation, intelligent linking of software and smart technologies & sensors will also make the difference in the future. «

CHRISTIAN BAUR, CTO

Intralogistics

HÖRMANN Intralogistics GmbH Munich

Smart integrated warehousing – multi-solution intralogistics solution at iDM

With individual, creative multi-solution intralogistics systems, HÖRMANN Intralogistics implements efficient and future-proof material flow solutions for various industries. We customise combinations of automated high-bay warehouses, tray and small parts/light goods warehouses, AutoStore® systems and picking systems specifically for our customers' requirements to ensure maximum productivity.



Depending on the industry, volume, product characteristics, range, logistics property and required throughput, HÖRMANN Intralogistics recommends and installs the right autonomous solution as a general contractor with one single point of contact from planning to commissioning.

The overall system is integrated with HiLIS, our modular warehouse management system (WMS). HiLIS manages, controls and monitors all material flow processes online and ensures maximum

transparency and system availability in all functional areas. In addition, intelligent HiLIS Eco-Power-management offers up to 25% energy optimisation.

Multi-solution intralogistics solution at iDM in Matri

At iDM in Matri, East Tyrol, HÖRMANN Intralogistics erected an innovative, multi-solution intralogistics solution in 2023 consisting of a high-bay warehouse, an AutoStore® small-parts warehouse, the conveyor technology linking everything together, centralised picking stations and a centralised WMS HiLIS.

The iDM Group is Austria's largest manufacturer of thermal heat pumps. Over 400 employees develop, produce and sell over 10,000 heat pumps for heating, cooling and hot water every year.

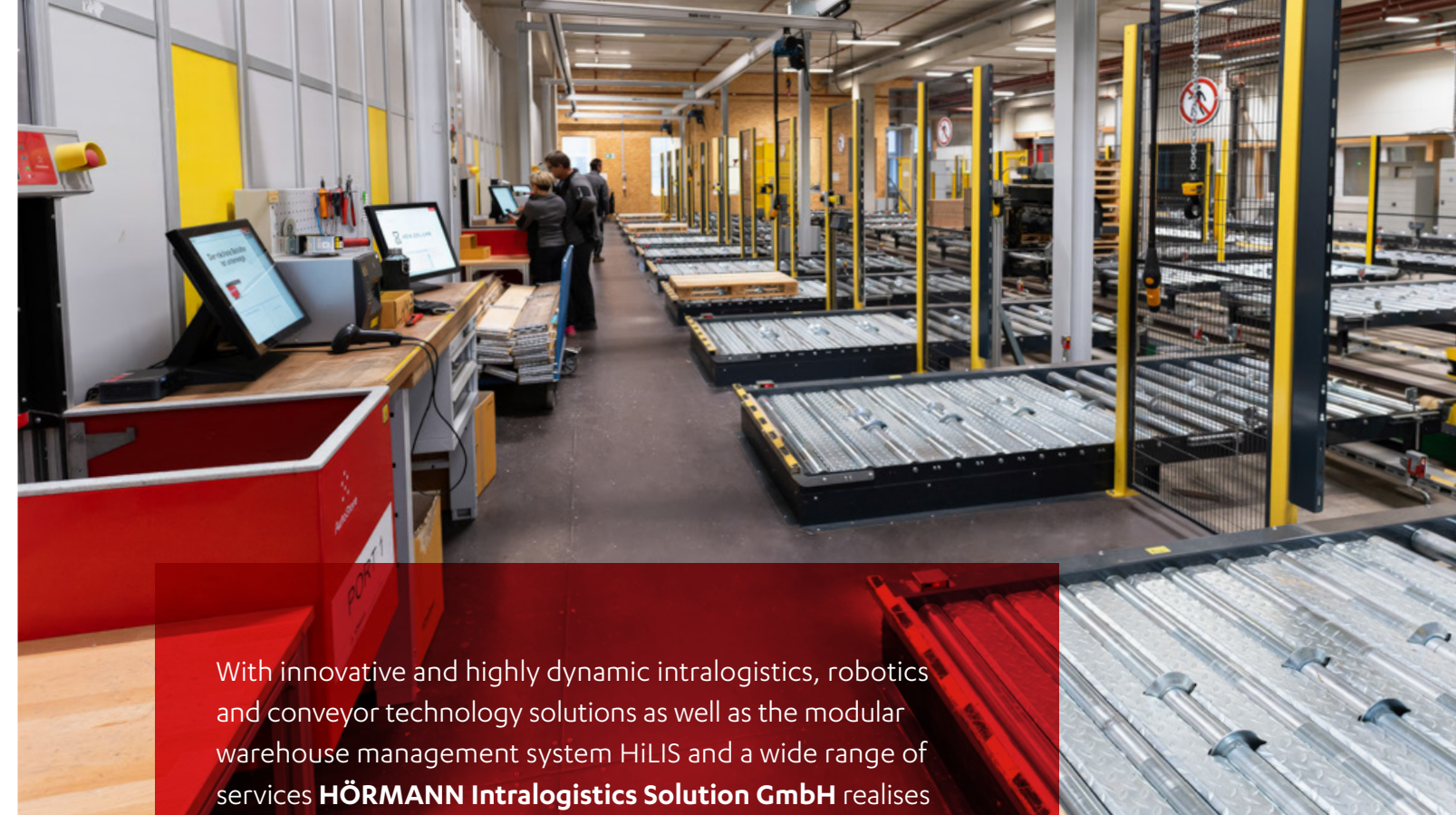
For continued expansion, a new logistics centre was developed at the headquarters in Matri. HÖRMANN Intralogistics, the material flow specialist, planned and erected the customised intralogistics system with centralised warehouse management.

Automatic high-bay warehouse for storing semi-finished and finished products

This three-aisle, high-bay warehouse (HRL) is connected to the incoming goods area by pallet conveyor technology. Various load carriers such as Euro pallets, wooden industrial pallets or pallet cages on Euro pallets are conveyed to the pallet circuit in front of the HRL. Here the three stacker cranes (SRMs) that work based on HiLIS Eco-Powermanagement receive the pallets. The HRL offers space for 9,324 pallets and reaches storage or retrieval performance of 93 or 85 pallets/hour.

Dynamic AutoStore® small-parts warehouse for 16,000 containers

HÖRMANN Intralogistics performed systems simulations with real data in order to optimally adjust the AutoStore® system to iDM's requirements.



With innovative and highly dynamic intralogistics, robotics and conveyor technology solutions as well as the modular warehouse management system HiLIS and a wide range of services **HÖRMANN Intralogistics Solution GmbH** realises customised intralogistics systems for various industries.

As a general contractor, HÖRMANN Intralogistics assumes overall responsibility for the realisation of complex new systems as well as for the maintenance and modernisation of existing systems during ongoing operations.

This resulted in the configuration with a carousel port, mainly for deposits. Four conveyor ports are pointed toward the central picking stations. The 16,000 containers are stored and handled on seven levels.

The single-double grid, on which nine untiring red-line robots receive, re-sort and store or retrieve containers, is installed above the container stacks. The AutoStore® system is connected to the Electrical department in the upper storey via two transfer cells, a lift and container conveyor technology.

Four central picking stations are connected directly to the high-bay warehouse and to AutoStore® via conveyor technology and distribution carts. Palletised goods and goods from AutoStore® can be picked from any workstation.



Maximum performance and availability with the WMS HiLIS

The key component of the system is the HÖRMANN Intralogistics WMS HiLIS. This modular application ensures that from the asynchronous, different warehouse areas the goods come together synchronously at a picking station. HiLIS performs warehouse management, system control and system visualisation for both automatic and manual warehouses.

HÖRMANN Klatt Conveyors GmbH

Smart conveyor technology solution for the new multi-solution intralogistics system at KraussMaffei

For its new plant in Parsdorf near Munich, KraussMaffei Technologies, a globally leading manufacturer of machines and systems for plastic and rubber processing, decided to restructure its entire intralogistics. During the competition for the job, HÖRMANN Intralogistics and its SAP/EWM partner SALT Solutions proved to be compelling with a smart concept and a convincing overall packet. The implementation order included an automated small parts warehouse (AS/RS) and an automated pallet warehouse (APL) with sophisticated conveyor technology from HÖRMANN Klatt Conveyors GmbH, picking stations, tower storage for sequencing, complete automation technology and warehouse management with SAP/EWM. The order was completed after the successful commissioning.

Complex conveyor technology

In the incoming goods area, the small parts delivered externally in cartons and shipping bags are manually unloaded and placed on the complex conveyor technology that was planned and implemented by HÖRMANN Klatt Conveyors GmbH. Then they pass through numerous levels, platforms and hall areas. More than 500 accumulation roller conveyors with high-performance corner transfer units and ten

vertical lifts guarantee a smooth gentle transport flow until the containers are stored in the AS/RS. Before the AS/RS loop, there is another workstation to optimise density that combines identical container contents into one container.

Parts and assemblies for machine assembly are delivered to the incoming goods area on one-way, wooden industrial and half pallets and are placed on one of three roller conveyors. A total of 164 pallet conveyors and twelve turntables ensure fast transport of Euro and lattice box pallets to the automated pallet warehouse where they are stored by one of the five stacker cranes. A sophisticated, mechanical system monitored by sensors checks every individual pallet for damage so that only correct loading units are stored. If pallets are overweight or oversized, the loading unit will be discharged to a manual workstation where it can be checked and corrected. The low-noise conveyor technology that is driven by toothed belts functions as a fundamental link in the new KraussMaffei intralogistics solution.



Precision, perfection, passion – this is what **HÖRMANN Klatt Conveyors GmbH** stands for. The company is known throughout Europe for its conveyor system technology made in Austria and covers a wide range of applications. We attach great importance to the perfect realisation of individual solutions - from development and design to on-site assembly. Our customers value our professional project management, our expertise, our high-quality product solutions and our hand-shake quality. This is why HÖRMANN Klatt Conveyors is a strong partner when it comes to conveyor technology, storage and systematisation.



At a total of nine goods-to-person picking stations, items from the AS/RS and APL are picked for assembly orders. The goods that have been completely picked per machine are then transported to the assembly area to the correct assembly workplace.

Intralogistics solution for KraussMaffei

HÖRMANN Intralogistics' scope of delivery included racking steel structures, platforms, stacker cranes, HiLIS control technology with system visualisation as well as warehouse management with SAP/EWM. The assembly of the container and pallet conveyor technology was completed in ten weeks by HÖRMANN Klatt Conveyors GmbH at the same time as other

tradesmen. Because of the complexity and size of the systems, the pallet conveyor technology was done in two sections. After it was finished, the container conveyor technology was integrated into the entire system step by step. In particular, the interaction of the various conveyor technology components required exact planning to guarantee smooth installation on site.

SALT Solutions GmbH delivered and completed the warehouse management and material flow control in 2023 on behalf of HÖRMANN Intralogistics.





» We are firmly convinced that our strategies and investments will create long-term value for our Group and our stakeholders. Our team at HÖRMANN is highly motivated to break new ground, to take advantage of growth opportunities and to strengthen our market position. «

MICHAEL RADKE, CEO

Automotive

HÖRMANN Automotive GmbH

Innovative manufacturing processes for lightweight construction – simulation of forming processes for free-form bending of profiles

Free-form bending of profiles is a manufacturing process that was originally designed especially for architectural components. It also shows significant potential for industrial structures such as in the area of vehicle bodies (body-in-white). HÖRMANN Automotive GmbH is positioning itself at the Gustavsburg location for refinement and implementation in the prototype stage and later for industrialisation of these interesting lightweight technologies with a wide range of application potential.

Since 2019, HÖRMANN Automotive GmbH has directed its attention in an R&D project to a manufacturing process that, to date, is not widespread: free-form bending. Since then the company – with strong involvement on the part of HÖRMANN Automotive Gustavsburg GmbH – has been actively participating in researching and refining this innovative process and has also participated both in various cooperation projects with customers as well as in collaborative efforts with renowned universities. The focus is on reducing setup time to obtain the highest degree of forming precision as well as on extending the limits of existing processes while keeping in mind the especially high precision requirements in the area of vehicles. However, how can this process make such an important contribution to the future of the company? The reasons are high geometrical flexibility and minimal material use in line with conserving resources based on sustainability factors.

Economical use of resources for lightweight construction with high geometrical flexibility

In free-form bending, an open or closed profile is pressed through a fixed die in only one step and is brought into a three-dimensional form with a continuous curvature profile by a moveable die. One set of tools is sufficient for this. This also gives customers an extraordinarily high degree of design freedom, because direct determination of component

geometry by kinematics guarantees impressive flexibility. This manufacturing technology is extremely well-suited to achieve optimised material usage by lightweight structural construction. Components that are produced this way offer the building blocks for efficient profile construction of structural frames. Processing of round and angular tube geometries opens completely new dimensions for body-in-white components and for structural components that commercial vehicles, agricultural machinery and other areas can equally benefit from.

Progress by numerical simulation

In close cooperation with interested customers, development engineers from the Research & Development division of HÖRMANN Automotive GmbH along with their engineering colleagues from HÖRMANN Automotive Gustavsburg GmbH have defined the requirements and identified the developments required for broad use of free-form bending. This was followed by intense, successful collaboration with the Chair of Metal Forming and Casting (utg) at the Technical University of Munich, during which understanding of the process was deepened, and we

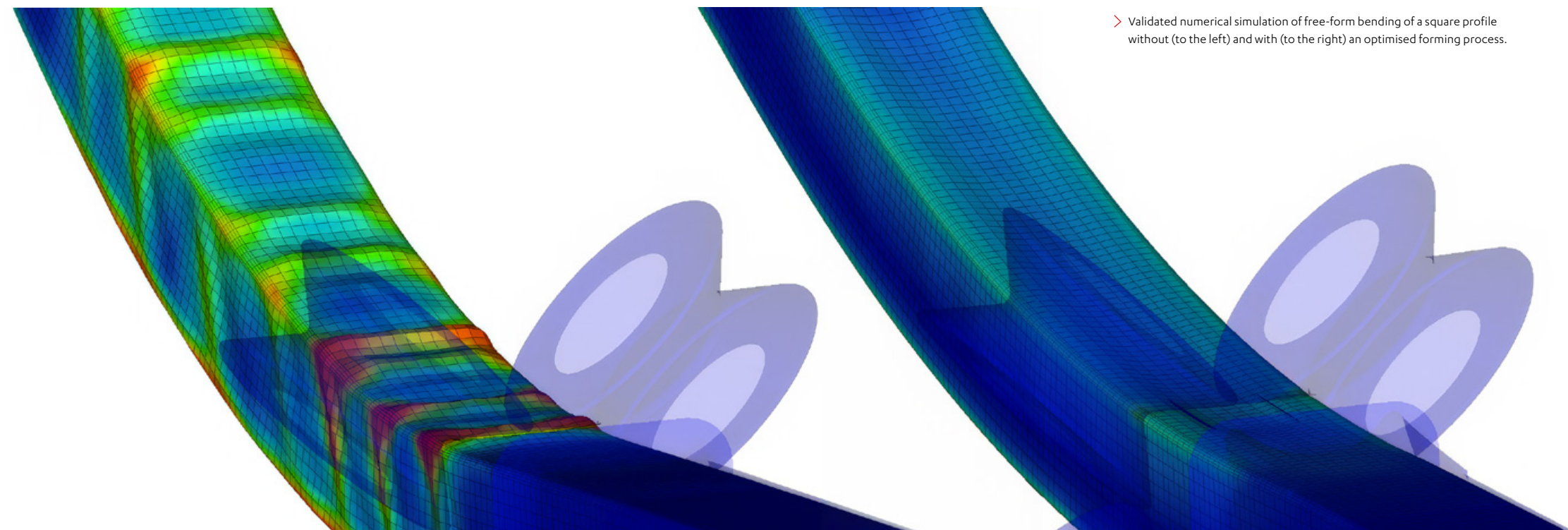
forged ahead with numerical process design and simulations. An example of a special challenge is processing thin-walled profiles from high-strength steels that are especially attractive for lightweight construction but also show the highly restricted limits of the process.

Forming limits, especially achievable radii, were able to be significantly extended by numerically validated measures. Moreover, the planned narrow manufacturing tolerances require safeguarding by performant numerical simulation. This improved simulation quality was planned and achieved during the project. It now has enabled precise fine-tuning and adjustment of process parameters. This capability is now the foundation for continually refining the free-form bending process at HÖRMANN Automotive and underscores the company's great dedication to innovation and technological progress in the area of lightweight construction as a contribution to more sustainable production.

Our declared goal is to refine this manufacturing process for industrial series production and apply it to practical uses for commercial vehicles.



HÖRMANN Automotive GmbH consists of five high-performance companies with experience in the development, production, assembly and logistics of components for the automotive industry. The plants specialise in metal components in small, medium and large series as well as individual custom-made products. With their core competences, the plants serve the daily needs of the commercial vehicle, agricultural machinery, construction, automotive and automotive supply industries.



> Validated numerical simulation of free-form bending of a square profile without (to the left) and with (to the right) an optimised forming process.

HÖRMANN Automotive Gustavsburg GmbH

HÖRMANN side members at all international airports around the world

What turned out to be an initial contact at our trade fair presentation at the 2018 IAA Commercial Vehicles trade fair has developed over the years into a cooperative business relationship for HÖRMANN Automotive Gustavsburg GmbH. This business relationship is with National Fire Fighting Manufacturing FZCO – abbreviated as NAFFCO – a specialist for fire protection systems. NAFFCO was founded in 1991 in Dubai and has developed over the years into one of the largest exporters of fire fighting vehicles and fire protection systems, in particular for airports throughout the world. Over 15,000 employees are working at a rapid pace on smart solutions regarding

the aspect of safety in the working environment. NAFFCO products are exported to over 100 countries and stand for excellent “made in Dubai” quality.

NAFFCO became aware of HÖRMANN Automotive in 2018 at the IAA Commercial Vehicles trade fair in Hanover while it was looking for a high-quality supplier of side members. The initial conversations were immediately followed by a visit to HÖRMANN Automotive Gustavsburg GmbH to get an in-person impression of the quality and production capabilities on site. The first test orders were placed because of the enthusiasm about the precision and quality of side members made in Gustavsburg. They were soon sent on the long journey from Gustavsburg to Dubai. Our side members travel 6,000 kilometres before they can be installed into NAFFCO’s airport rescue fire fighting vehicles (ARFF). The FALCON series of the ARFF has between 500 and 900 hp and holds up to 16,000 litres of extinguishing water as well as 1,920 litres of

extinguishing foam. The performance of the fire pump is between 6,000 and 10,000 bars with a total vehicle weight of up to 52 tonnes. That is why the NAFFCO ARFF FALCON is one of the highest performance fire fighting vehicles in the world.

Increasing the scope of the supplier relationship

The global market also responded to this, and NAFFCO was able to increase its sales of fire fighting vehicles from 290 to 500 vehicles per year. HÖRMANN Automotive also benefited from this and received a subsequent order with the corresponding volumes.

However, production of side members in Gustavsburg is anything other than standardised. Because of the heavy weight of the vehicles, two members (inside and outside) are “mated” with each other (see illustration 2). The required tight tolerance pattern is also a maximum challenge for the manufacturing lines. With a total length over ten metres, the member may only have a minimum deviation of +6/-3 millimetres in length. This is a challenge that the specialists from Gustavsburg are exactly the right people for.

Since then, our business relationship based on trust has developed further, and HÖRMANN Automotive Gustavsburg GmbH delivers other precursors and semi-finished products in addition to side members that are difficult for NAFFCO to obtain on its local market. Currently, consideration is being given to expanding the supplier relationship to components such as crossmembers.

HÖRMANN Automotive is proud to be able to make an indirect contribution to public safety at airports around the world. The Gustavsburg location is looking into its shared future with NAFFCO in great confidence and is looking forward to more projects.



> Visit in April 2023 to Gustavsburg by the NAFFCO management. From left to right: Jörg Holzapfel – key account manager at HÖRMANN Automotive GmbH, Christian Petters – CSO at HÖRMANN Automotive GmbH, Emad Kassab – general manager of Engineering, Yasin Kassab – director of chassis manufacturing at NAFFCO, Niels Krämer – Engineering at HÖRMANN Automotive Gustavsburg GmbH, Marco Vowinkel – head of sales at HÖRMANN Automotive Gustavsburg GmbH



HÖRMANN Automotive Gustavsburg GmbH specialises in the production of high-quality steel components for the highly competitive commercial vehicle and automotive industry. With innovative technology and state-of-the-art solutions in forming, welding and automation technology, it processes around 120,000 tonnes of steel into chassis, body and add-on parts every year on a production area of over 90,000 square metres. In-house engineering, coupled with experienced tool-making, also guarantees customer-orientated and competitive solutions in the product development process. This makes the automotive plant in Gustavsburg a leading supplier of forming technology products for the commercial vehicle industry in Europe.



> NAFFCO ARFF Falcon



HÖRMANN Automotive Saarbrücken GmbH and **HÖRMANN Automotive St. Wendel GmbH** develop, produce and supply all well-known manufacturers as long-standing partners of the agricultural and construction machinery industry. The St. Wendel plant specialises in the manufacture of large body parts for side panels, covers and guide plates, for example for combine harvesters. The Saarbrücken plant specialises in welded assemblies.



HÖRMANN Automotive Saarbrücken & St. Wendel GmbH

New assembly line for ready-to-install modules for agricultural machinery

In the world of farming and agricultural technology, efficiency and dependability of agricultural machinery during harvest are crucially important. Around 3,000 forage harvesters are sold around the world per year that serve the purpose of taking in, shredding and unloading harvested crops such as grass, canola or maize.

One of the key components of these highly efficient agricultural machines is what is known as the discharge chute (also called a "spout"), and harvested material is transported through the discharge chute without disruption at a high speed in a targeted way to the transport vehicle driving beside the machine (see Image 1). Discharge chutes are highly complex modules that are assembled with more than 100 individual parts depending on the requirements and specific customer desires. One discharge chute is hardly equivalent to another. The raw parts of the discharge chute are manufactured at HÖRMANN Automotive's St. Wendel plant.

In 2020, HÖRMANN Automotive Saarbrücken received an order from John Deere to deliver ready-to-install discharge chutes for the new model series of the large forage harvester that for the first time can be used with a twelve-row harvesting header for cutting 12 rows of maize in one pass. However, this jump in efficiency places entirely new demands on the discharge chute that consists of a basic module and various extension modules. There are three different sizes and 59 variations. There are also 49 different add-on parts that can be configured according to customer specifications. The complexity of the product with very high variability and achieving punctual just-in-sequence delivery (JIS) directly to the forage harvester assembly line in Zweibrücken resulted in special demands when it came to production management and designing the assembly in the Saarbrücken plant.

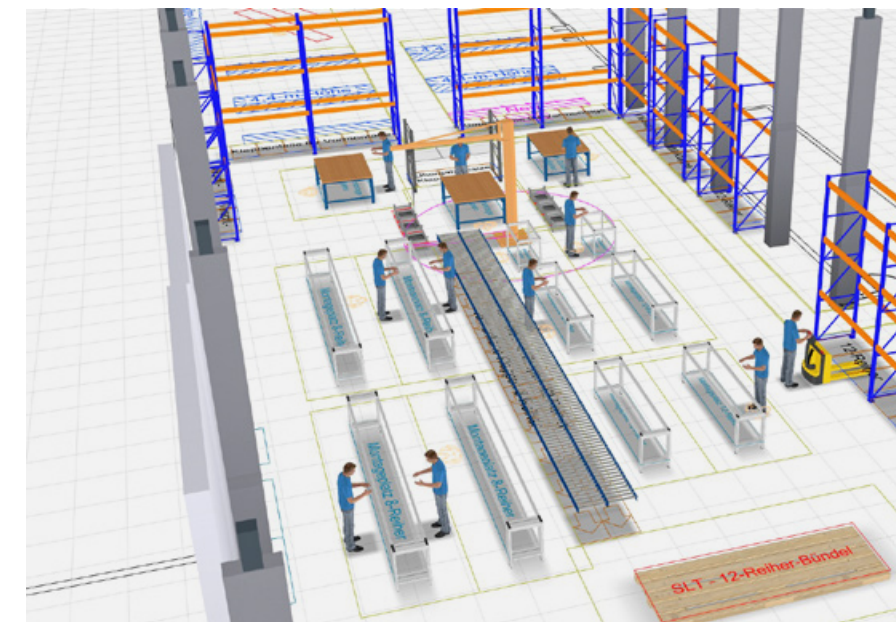
With the help of HÖRMANN Rawema GmbH, our internal specialist for factory planning, a completely new assembly line according to the most modern assembly and logistic principles including supermarket and kanban logistics was planned and established at the Saarbrücken location. What began as a pilot project, ultimately developed into highly efficient series assembly. The capacity is at four models per shift with six employees on duty per shift.

The first prototypes were delivered in 2021, and the pre-production series was delivered one year later in the spring of 2022. Series production started at the end of 2022, and in 2023, 469 discharge chutes had already been delivered to John Deere. After more model series and regions have been introduced, 750 modules are to be delivered per year. The lifetime of this product is approximately 10 years.

Because of the successful startup of series production of this strong-selling new product, the long-term transformation of HÖRMANN Automotive Saarbrücken GmbH into a competitive supplier of complex welded assemblies and ready-to-install modules for the agricultural machinery industry has been able to be continued.



> Assembly team at HAS for discharge chutes



HÖRMANN Automotive Saarbrücken GmbH

Automated robot welding systems for complex welded assemblies and chassis for agricultural machinery

After a strong-selling product for what was HÖRMANN Automotive Saarbrücken's main customer at the time was eliminated at the end of 2019, it was necessary to strategically realign the Company to new products, new manufacturing technologies and new customers. At that time, it was decided to include manufacturing of complex welded assemblies up to entire chassis for agricultural machinery, construction machinery, forklift trucks and buses in our range of products since there was a large demand for this from customers.

In June 2023, two robotic welding cells from Fa. Cloos for large, complex welded assemblies and complete chassis were put into operation at HÖRMANN Automotive Saarbrücken. The goal is to improve the profitability of production by taking a big step and pushing ahead with automating welding production and reducing costly

welding by hand. Our investment volume for the two systems was approximately EUR 1 million, and a useful life of at least ten years is expected.

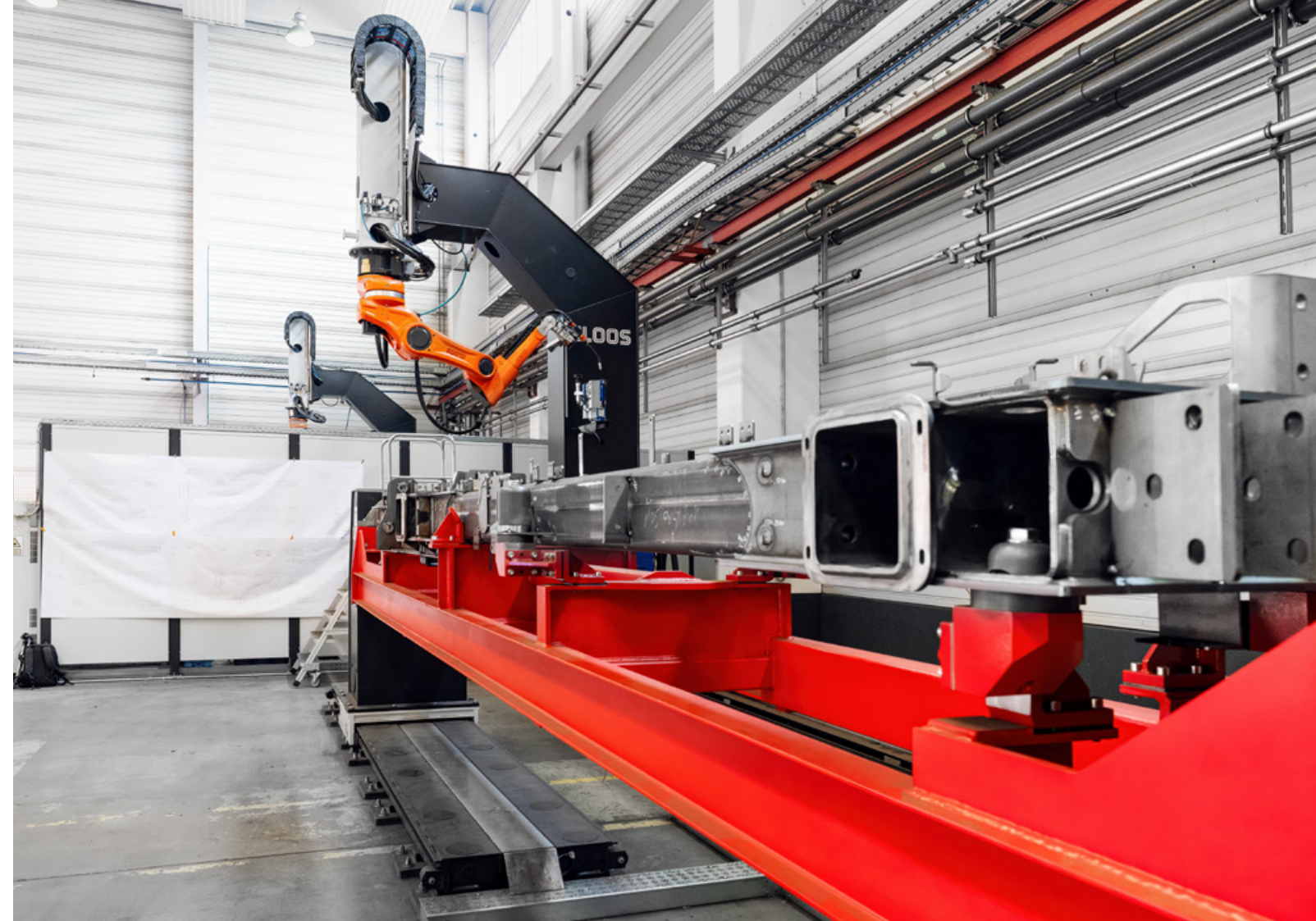
The plant already has five different-sized robotic welding systems from Cloos and has had good experiences with this manufacturer so far. The new welding systems make it possible to weld components with a length of up to seven metres and a component weight of over two tonnes efficiently with a low number of distortions. Previously this was only possible with a large amount of effort by hand.

To guarantee accessibility of the welding robots even for complicated welding constructions, the welding robots were set up suspended on a portal and can be

HÖRMANN Automotive Saarbrücken GmbH develops and manufactures welded assemblies for the agricultural machinery and commercial vehicle industry. Components for the interior of city buses and coaches are also manufactured. From component design and prototype construction to series production – the plant is a reliable partner.

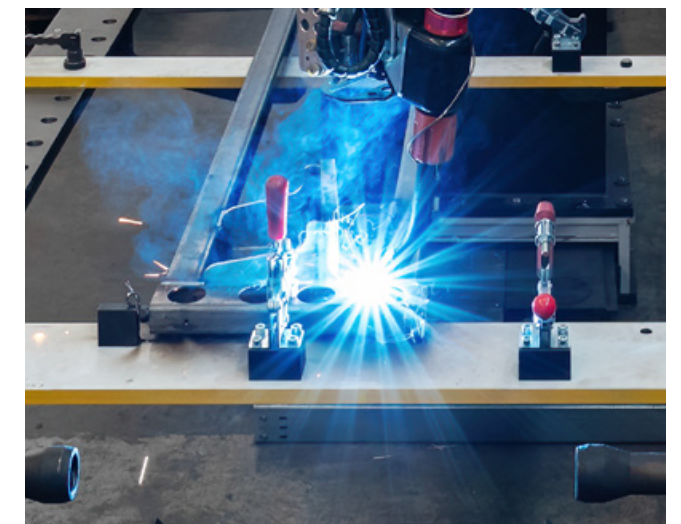
moved on a floor track. In addition, the experts at Cloos integrated a height adjustment and an excenter axis into the concept. HÖRMANN Automotive Saarbrücken GmbH is well-equipped for the current product portfolio because of this system configuration.

Today, various products are manufactured on the two robots such as unfinished parts for forage harvester discharge chutes, the main frame for pull-type sprayers and battery carriers for batteries of electrically powered city buses. Other components are currently being programmed. Both systems can be operated by



one employee per shift; the average manufacturing time per component is between 30 minutes and seven hours (depending on the component).

The demand for automatically welded assemblies and complex modules is high; other orders have already been issued and will be started in the coming year. This requires capacities to be expanded again and an investment into two more robotic welding systems. HÖRMANN Automotive Saarbrücken has found a new niche in the strongly growing market for agricultural machinery and electric mobility because of the step it took into new technology with a high degree of automation combined with the outstanding technical aptitude of hand welders for tacking and aligning large, complex welded assemblies.





» Long-term partnerships built on trust are the key to being successful even in challenging times like these and are crucial for achieving our objectives together. «

MICHAEL RADKE, CEO

Communication

HÖRMANN Warnsysteme GmbH

Using valuable synergies within the HÖRMANN Group

Strong demand in Germany still supported by the German government's siren subsidy programme as well as a large international order from Bulgaria influenced 2023 at HÖRMANN Warnsysteme GmbH. More than 1,600 sirens have been installed there to warn the public. A special challenge was hiring new

employees in all divisions, which became -necessary because of the fast growth, especially hiring employees for refining and installing siren warning systems. It was not possible to map out the increase of production capacities necessary at short notice solely with our own resources.

Professional assembly capabilities ensure fast reaction times

"HÖRMANN Warnsysteme

was able to balance out the capacity shortages internally by in-depth communication with the individual HÖRMANN companies", emphasises Anna HÖRMANN, managing director of HÖRMANN Warnsysteme GmbH. There is hardly a better example of the advantages of a strong Group: employees of HÖRMANN Automotive at the Wackersdorf location helped HÖRMANN Warnsysteme implement the large order from Bulgaria. HÖRMANN Automotive Wackersdorf as a professional assembly plant for technically challenging electro-mechanical systems has a high degree of expertise in the area of electrical engineering and electronics as well as with complex wiring. Whether we are talking about charging stations, switchgears or only sirens, it does not make much of a difference from a technical standpoint.

While the project management remained with HÖRMANN Warnsysteme, HÖRMANN Automotive Wackersdorf took over the assembly. Both the assembly of the control cabinet as well as the final check of the sirens took place in Wackersdorf. This was preceded by comprehensive instruction and a visit to the development and manufacturing location of HÖRMANN Warnsysteme GmbH at the Zwönitz location. The valuable outcome of this successful collaboration of the two HÖRMANN companies by the end of 2023 was that 505 new sirens from HÖRMANN Warnsysteme were installed in Bulgaria.

Modern software solutions by collaborating with digital experts

Resources were also bundled with HÖRMANN Digital that pools expertise about the aspect of digitalisation within the HÖRMANN Group. Work is being performed together with HÖRMANN Digital on the "sirens of tomorrow". The digital future and increased networking of various warning devices is not stopping at sirens, which are a proven warning device. An example is the German federal government's MoWaS platform that aims for a digital infrastructure based on TETRA radio for centralised triggering. All warning devices are to be integrated into this platform. More and more tasks are also being shifted to the Cloud.

An important step in this direction is the refinement of the proven, widely installed CCCS software to control and monitor siren warning systems. The new configuration software and control software programme CCCS is being completely redeveloped. The focus is on increased modularisation and scalability. HÖRMANN Digital contributes its strengths in the area of front-end development as well as UX/UI design with a modern user interface.



HÖRMANN Warnsysteme GmbH, with over 65 years of expertise in the development and construction of sirens and siren warning systems, is dedicated to reliably warning the public of disasters. The sirens "made in Germany" alert people worldwide to dangers such as tsunamis, floods, fires, toxic substances and other disasters. Founded in 1955 by Hans HÖRMANN as a two-man business, the sirens laid the foundation for today's HÖRMANN Group.

Increased capacities for the north

"Another milestone in the Company history of HÖRMANN Warnsysteme was the new construction and moving into the new company building in Stade in 2023", reports Anna HÖRMANN. This HÖRMANN branch not only installs and maintains approximately 6,500 sirens in northern Germany with an upward trend but is also active in the area of security technology. Both divisions are growing, and more space had been necessary for a long time. In December 2023, it was time: the new building on Julius-Leber-Weg that has entirely state-of-the-art technology and is climate-friendly was able to be occupied.



> Installation team for the HÖRMANN sirens

HÖRMANN Kommunikation & Netze GmbH is a technical service provider in the fields of communication technology, overhead line construction, energy generation and efficiency as well as the maintenance of public infrastructure. As one of the leading full-service partners for the provision of complete services, the company offers flexible and customer-orientated solutions. Whether projects in the railway environment, for example for Stuttgart 21, the 5G mobile phone installation, the installation of charging columns, overhead line work, the installation of lighting in stadiums or the installation of advertising systems in the Munich underground and suburban railway – the HÖRMANN company's projects are diverse.

HÖRMANN Kommunikation & Netze GmbH

Communication technology on the rails: successful milestones at the Cottbus plant for DB vehicle maintenance

The Cottbus plant for DB vehicle maintenance is proud to celebrate 150 years in the business and is setting an example with "The New Cottbus Plant" project as part of the structural change in Cottbus and the Lausitz region. On 7 January 2024, Maintenance Facility 2 of the new plant was put into operation in line with the motto "The railway is coming before the coal leaves" after ground had first been broken in May 2022.

The impressive Maintenance Facility 2, over 435 metres in length and 35 metres wide, consists of two tracks. It is a grand building that is the foundation for Deutsche Bahn's most modern maintenance facility. The planning for Maintenance Facility 1, which will have a length of approximately 500 metres and 4 (or 5) tracks, is already in full swing. Maintenance Facility 1 should be finished in 2026. The total investment volume for the new Cottbus plant is approximately EUR 1 billion, and it is expected that it will become an essential component of Deutsche Bahn's maintenance infrastructure.

HÖRMANN Kommunikation & Netze GmbH is involved in this groundbreaking initiative as a subcontractor of Rhomberg Bahntechnik GmbH. The "Rail" partnership model emphasises cooperative collaboration where the focus is on a mutually agreed schedule and budget as well as on an agreement to include all involved parties at an early stage.

The ongoing tasks in phase 1 include target cost determination for Maintenance Facility 2, a preliminary evaluation, route check, obtaining and mutually agreeing on cost projections for wireless systems planning, determining target costs and draft planning for Maintenance Facility 1. The implementation planning for the exterior telecommunication systems of Maintenance Facility 2 is already being worked on, including the expansion for clearing the land for Maintenance Facility 1 and Cottbus South as well as the target cost determination and draft planning of the telecommunications connection of the railway systems to the combined heat and power plant.

After the project has been awarded, the second phase contains the implementation planning for all telecommunications systems as well as the entire radio coverage, including optical fibre cable routing in both maintenance facilities.

With these strategic steps, the Cottbus plant is on the way to becoming not only a symbol of change but also a pioneer in modern train maintenance.



Funkwerk Systems GmbH Kölleda

Funkwerk enters the Polish train radio market by a controlling interest in Radionika Sp. z.o.o.

Funkwerk Systems GmbH is a technologically leading provider of innovative communication systems for rail-bound transport that are made in Germany. Funkwerk uses customised concepts to manage and streamline operational processes in the areas of mobility and digital infrastructure.

As a specialist for voice and data communication over analogue and digital mobile networks, Funkwerk Systems GmbH in Kölleda has been developing and producing train radio technology for railway companies worldwide since 1982: systems for installation in railway vehicles, mobile devices and hand-helds. By integrating groundbreaking technology and taking into account the most modern standards such as FRMCS (Future Railway Mobile

Communication Systems), communication systems are built at Funkwerk in Kölleda that offer investment security and also meet future requirements because of their modularity.

In April 2023, Funkwerk AG acquired 60% of the shares of Radionika Sp.z.o.o. in Kraków, Poland from the previous minority shareholders and the main shareholder. The long-standing managing partner remains employed as the Polish managing director for the company.

Just like Funkwerk Systems GmbH, Radionika also specialises in developing and manufacturing Koliber-brand train radio terminals as well as radio communication systems for railway infrastructures in Eastern Europe. Radionika is a company that is very well-established on the Polish market with around 25 employees. It continues to invest in refining its products and system solutions and has been very successful for many years. The railway market in Poland is still very strongly characterised by analogue train radio, and the changeover to GSM-R digital train radio has just begun. This offers great potential for synergy because of close future collaboration of the two companies.

Because of the investment in Radionika, Funkwerk Systems GmbH has not only been able to expand its development resources but also extend its distribution options in Eastern Europe and thus strengthen its international position when it comes to radio communication systems for railway transport. "We are very glad that the extremely knowledgeable team at Radionika is now a part of our Group", emphasises Kerstin Schreiber, Management Board member of Funkwerk AG. "Radionika's products expand our portfolio of solutions and our market access especially in Eastern Europe."



> Funkwerk exhibition stand at the TRAKO 2023 in Gdansk, Poland.



Funkwerk Systems GmbH, based in Kölleda, develops and sells professional communication solutions for railways. The company is constantly setting new technical standards, for example in the migration of analogue communication to new digital communication systems – this also includes the development and marketing of solutions for the effective migration from GSM-R to the new 5G-based FRMCS technology.



Funkwerk Systems GmbH Karlsfeld

Funkwerk Passenger Information on a growth course

The Funkwerk division for Passenger Information was able to significantly strengthen its position on the market in the past financial year. In Germany, Austria and Switzerland (GAS), the company was awarded a contract for several large orders. The newly concluded master agreements with the large railway companies Deutsche Bahn (DB AG), BLS Lötchbergbahn AG (BLS AG) and Österreichische Bundesbahnen (ÖBB) extend over a term of several years and includes a total sales volume of up to EUR 50 million.

Among others, Funkwerk is developing, delivering and servicing a new generation of train info displays (TID) for Deutsche Bahn (DB) that will be installed on platforms and in station buildings. DB's goal is to modernise all platform displays, to switch to "paperless platforms" and to provide travellers with the best-possible current customer information – all by 2030. Funkwerk will make a decisive contribution to modernising DB in the next four to six years because of its wide variety of display types and display cases.

For its customer BLS AG, the second-largest railway company in Switzerland, Funkwerk has developed two individually planned components for passenger information: a monitor stele and a pillar that contains a text-to-speech function as well as a button for on-demand stops (requested stops). Both systems will be delivered in multiple variations and integrated into BLS AG's railway network. This is the

way that the customer information systems installed across Switzerland belonging to this successful Swiss railway company will be progressively replaced and renewed in the next few years.

ÖBB is the main operator of rail transport in Austria and has already been a customer of Funkwerk for many years. The contract that has been concluded now runs for a term of eight years. Funkwerk will develop, produce and install around 2,800 information steles that are suitable for outdoor use. These digital systems will display a variety of information about mobility and train stations. This master agreement also secures full production in the Passenger Information Systems division for a long period and once again shows how Funkwerk operates successfully on the market as a total solution provider for railway transport. In addition to developing software and hardware, the Company assists customers from the beginning with defining the best technical solution, the design and constructive design as well as with implementing projects from installation to commissioning to after-sales service.

"These sales successes lay an important foundation for further growth and further development of the Passenger Information division into one of the leading providers in Europe", explained Christian Ringler, the managing director of the division, with pride.

Enhancing our expertise in the GAS market for passenger information

In addition to the good order situation, the Passenger Information division also benefited at the end of the year from another important strategic decision: the agreement that came into force from 1 January 2024 to acquire 100% of the shares in Elektrotechnik und Elektronik Oltmann GmbH (Oltmann GmbH) in Berlin made it possible to increase the expertise of Funkwerk in the area of monochrome LED displays and to enhance its own footprint in the area of public transport and in the large market of regional train stations.

Oltmann GmbH has specialised in passenger information systems for railway regional transport and public transport for many years. On average in the last four years, the company generated sales in the lower two-digit million range with its approximately 40 employees. Oltmann GmbH will continue to be managed as an independent limited liability company in the Funkwerk Group and belongs to the Passenger Information division. Dr Falk Hermann, Management



> Available as of now in the Funkwerk portfolio for customers: DSAPlus display (Digital Visual Display)



> DFI display (Dynamic Passenger Information Display)



Funkwerk Systems GmbH, Karlsfeld plant, specialises in passenger information. The product range includes stationary, visual and acoustic systems for indoor and outdoor use to inform travellers. The systems include highly complex control software for processing and providing real-time data.



Board member of Funkwerk AG is convinced that "together, we can benefit from synergies in the Development, Service, Manufacturing and Sales divisions of Passenger Information Systems".

Oltmann's display systems are developed and produced in Berlin. They complement the currently existing Funkwerk portfolio with a strong focus in the area of LCD displays including monochrome LED displays such as the DSAPlus display (Digital Visual Displays) that Oltmann GmbH has been using to very successfully equip smaller regional Deutsche Bahn train stations for years. Because of the equity investment, Funkwerk is now the main supplier for Deutsche Bahn for the DSAPlus master agreement and continues to expand its collaboration with Germany's largest railway company.

Since Oltmann GmbH has many references and long-term customer relationships with various urban operating companies for public transport, the alliance also offers opportunities to expand Funkwerk's business activities in this large market segment. Christian Ringler is very optimistic: "The close

collaboration of both companies and the way they complement each other with their product technologies opens up completely new options for the future".

Funkwerk Security Solutions GmbH

From a supplier of video systems to a system integrator for integrated security technology solutions

Integrated security solutions – holistically designed, planned with many years of expertise, installed independently of the manufacturer:

Funkwerk Security Solutions GmbH offers the most modern security technology for transport infrastructure, industrial companies, government agencies and critical infrastructure (KRITIS).

Funkwerk Security Solutions GmbH with its headquarters in Nuremberg and branches throughout Germany from Hamburg to Munich operates as a security integrator with its own software solutions in the areas of video monitoring and risk management. Its differentiating features include optimising and digitalising analogue processes among others in railway and road transport and critical infrastructure.



funkwerk ViPRO.gms®

Valuable synergy effects from video technology and risk management

Funkwerk Security Solutions GmbH came out of the merger of Funkwerk video systeme GmbH in Nuremberg and Funkwerk vipro.sys GmbH in Leipzig in 2023 to be able to take better advantage of synergy potential in developing the restructured Security Solutions division. We now have decades of experience in video technology under one roof, for example

with the video management software programme *posa.palleon*® and the high-performance pan-tilt heads *Platon*®NEO bundled with one of the most progressive risk management software platforms *ViPRO.gms*®. Funkwerk meets customer expectations of a modern solutions provider for security technology complemented by profound IT solution expertise and supported by targeted investments in sales, development and strategic partnerships.

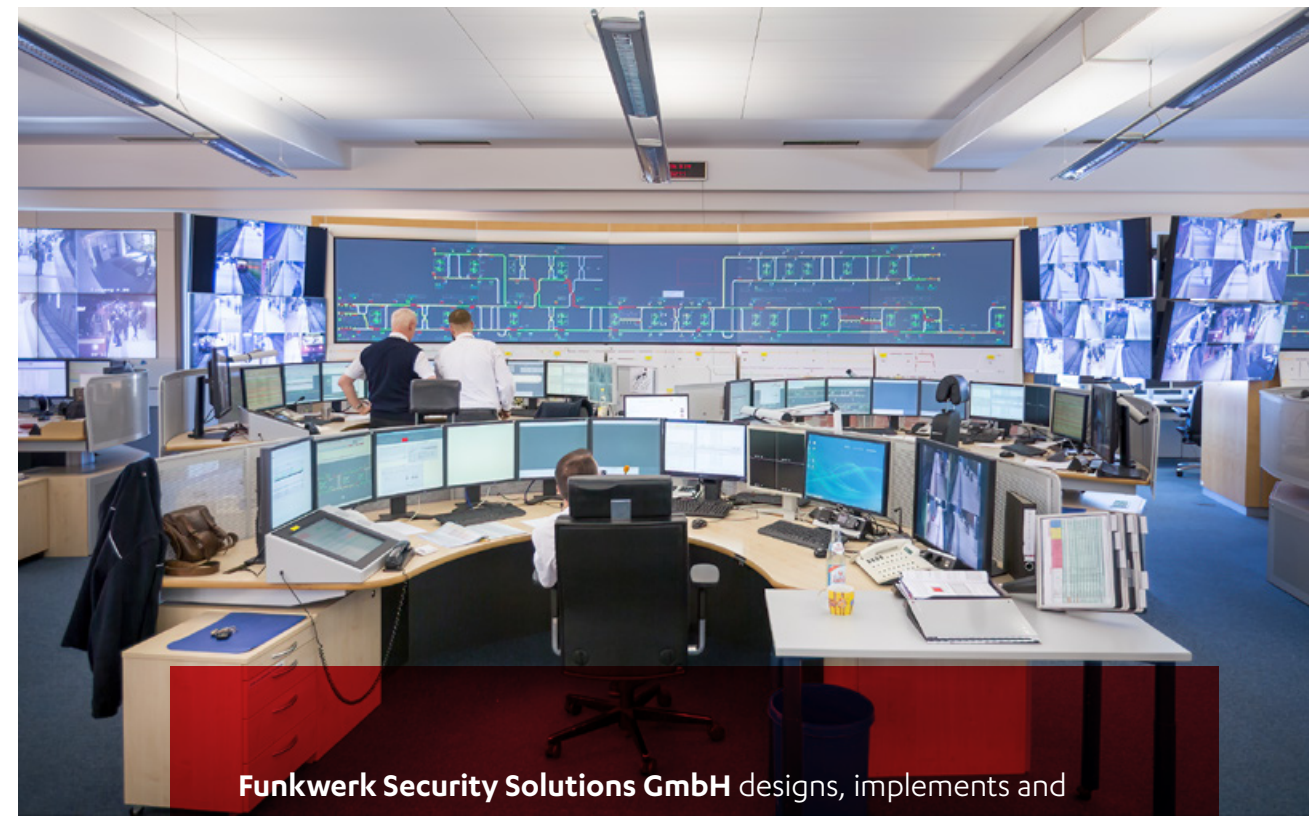
Integrated portfolio of solutions as a unique selling point

The focus of Funkwerk Security Solutions GmbH is on developing integrated IP-based security solutions with the correct planning, integration, project management and maintenance services. In doing so, the Company builds on its extensive experience with complex security technology projects for the traffic infrastructure from railways to motorways and waterways to airports, for companies with KRITIS requirements as well as for banks, government agencies and customers from industrial companies. The *ViPRO.gms*® integration platform enables complex solutions for integrated management for a wide variety of applications in control centres or operations centres. By using *posa.palleon*® and *Platon*®NEO, Funkwerk solves challenging video monitoring problems. A growing number of strategic partnerships with manufacturers of video, burglary and fire alarm systems, perimeter systems, access control and billing solutions as well as IT system components ensure customised cross-divisional solutions.

Secure information technology for the highest degree of dependability

The Company's core business area of security technology complements Funkwerk Security Solutions GmbH by highly specialised services in the sensitive area of information technology. Protection from external attacks, avoiding internal risks and high availability are the focus of the IT concepts.

The branches throughout Germany ensure that they have a complete individual system of security technology and the necessary information technology from leading IT providers. By consistent collaboration with the customer's responsible employees,



Funkwerk Security Solutions GmbH designs, implements and maintains customised high-end video system and security solutions for KRITIS companies and companies with individual security requirements from its eight branches throughout Germany. Extensive expertise, state-of-the-art cameras, radar, perimeter protection, seamlessly moving 360° pan/tilt heads, various video management systems, advanced physical security information management and intelligent image processing guarantee perfect projects "made in Germany".



Funkwerk's expertise and its team of experienced specialists guarantee a future-oriented, secure and useful integrated solution.

Future-oriented solutions

As a provider of professional security systems, Funkwerk Security Solutions concentrates on a future market with high growth potential. The basis of business activity is to have leading technological

expertise, a deep understanding of customers' requirements and infrastructure as well as the flexibility that can be expected of a mid-size company. This includes specific user knowledge and an investment policy that anticipates technological change.

Group Management Report

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risks and expected developments

Basic information on the Group

The Group (hereinafter referred to as "HÖRMANN Industries"), comprising HÖRMANN Industries GmbH as the Group parent company and its direct and indirect subsidiaries, forms the industrial subgroup of the HÖRMANN Group. The Group is broken down into four divisions to which the individual companies are allocated.

Active subsidiaries also include HÖRMANN Digital GmbH as an overarching service provider for the development of software-based product solutions and enhancements, and HÖRMANN Informationssysteme GmbH (direct subsidiary of HÖRMANN Holding GmbH & Co. KG) as a Group-wide service provider for IT infrastructure and software systems for business process digitalisation.

The information on the course of business is presented in line with the business division structure of the Group.

The material equity investments are allocated to the divisions as follows:

AUTOMOTIVE

- ♦ HÖRMANN Automotive GmbH, Kirchseeon
- ♦ HÖRMANN Automotive Gustavsburg GmbH, Ginsheim-Gustavsburg
- ♦ HÖRMANN Automotive Slovakia s.r.o., Bánovce, Slovakia
- ♦ HÖRMANN Automotive St. Wendel GmbH, St. Wendel
- ♦ HÖRMANN Automotive Saarbrücken GmbH, Saarbrücken
- ♦ HÖRMANN Automotive Wackersdorf GmbH, Wackersdorf
- ♦ HÖRMANN Automotive Assets GmbH, Kirchseeon

In the **Automotive** division, HÖRMANN Industries is a supplier of metal components, modules and systems for the European commercial vehicle, construction and agricultural machinery industries.

The division covers the entire value chain with its engineering, technology development, production and logistics services.

The largest domestic location of the Group is HÖRMANN Automotive Gustavsburg GmbH, which specialises in the production of chassis and body parts and attachments for commercial vehicles. It is also a manufacturer of side members.

The other locations include HÖRMANN Automotive St. Wendel GmbH, a manufacturer of metal components for the agricultural machinery industry in particular; HÖRMANN Automotive Saarbrücken GmbH, a manufacturer of interior systems for buses, complex welded assemblies through to full chassis for agricultural machinery and turnkey installation systems; HÖRMANN Automotive Wackersdorf GmbH, which assembles electronic and mechanical modules and charging stations; and HÖRMANN Automotive Slovakia s.r.o., which produces labour-intensive metal components and chassis attachments for the commercial vehicle industry. HÖRMANN Automotive Assets GmbH holds assets and operating resources for companies in the Automotive division.

HÖRMANN Automotive Eislingen GmbH (now ALSTAKOM – Aluminium- und Stahlkomponenten Ebersbach GmbH), a manufacturer of fuel tanks and hydraulic tanks as well as service hatches for buses and agricultural and construction machinery, was deconsolidated as at 31 October 2023. In September 2023, 100% of the shares in HÖRMANN Automotive Eislingen GmbH (now ALSTAKOM – Aluminium- und Stahlkomponenten Ebersbach GmbH) were sold and transferred effective 1 November 2023.

COMMUNICATION

- ♦ Funkwerk AG, Kölleda
- ♦ Funkwerk Technologies GmbH, Kölleda
- ♦ Funkwerk StatKom GmbH, Kölleda
- ♦ Funkwerk Systems GmbH, Kölleda
- ♦ Funkwerk Systems Austria GmbH, Vienna, Austria
- ♦ Radionika Sp. z o.o., Krakow, Poland
- ♦ Funkwerk Security Solutions GmbH (formerly Funkwerk video systems GmbH), Nuremberg
- ♦ Funkwerk IoT GmbH, Kölleda
- ♦ HÖRMANN Kommunikation & Netze GmbH, Kirchseeon
- ♦ HÖRMANN Warnsysteme GmbH, Kirchseeon
- ♦ HÖRMANN – KMT Kommunikations- und Meldetechnik GmbH, Salzburg, Austria
- ♦ HÖRMANN Warnsysteme Bulgaria EOOD, Sofia, Bulgaria

Funkwerk AG and its subsidiaries (the Funkwerk Group) are providers of communication, information and security systems.

They focus on hardware and software components for railway companies, public transportation, inland shipping and airports in addition to smart security systems to protect buildings, public spaces, industrial properties, transport and people. Funkwerk also offers tailored solutions for voice and data communication using analogue and digital mobile networks (LTE, GSM-R) in rail transport.

In the 2023 financial year, Funkwerk Systems GmbH acquired 60% of the shares in Radionika Sp. z o.o., Krakow, Poland. The company was consolidated for the first time when the shares were transferred on 30 June 2023.

HÖRMANN Kommunikation & Netze GmbH is a provider of installation, assembly and accompanying services for the public infrastructure relating to railway traffic and communication technology as well as energy supply.

HÖRMANN Warnsysteme GmbH, HÖRMANN – KMT Kommunikations- und Meldetechnik GmbH, Salzburg, Austria and newly founded HÖRMANN Warnsysteme Bulgaria EOOD, Bulgaria, bundle the Group's siren warning systems for alerting the fire brigade and for civilian disaster warning. The project-specific solutions are performed from a single source, from planning, development and realisation to multi-year maintenance.

INTRALOGISTICS

- ♦ HÖRMANN Intralogistics GmbH, Kirchseeon
- ♦ HÖRMANN Intralogistics Solutions GmbH, Munich (formerly HÖRMANN Logistik GmbH)
- ♦ HÖRMANN Logistik Polska Sp. z o.o., Gdansk, Poland
- ♦ HÖRMANN Intralogistics Solutions GesmbH, Graz, Austria (formerly HÖRMANN Logistik Systeme GesmbH)
- ♦ HÖRMANN Klatt Conveyors GmbH, Neumarkt am Wallersee, Austria
- ♦ HÖRMANN Intralogistics Services GmbH, Salzgitter
- ♦ HÖRMANN Energy Solutions GmbH, Lehre/Wolfsburg

The dynamic market development and increase in market demand for sophisticated system solutions for intralogistics, for automation solutions for production, warehouse and distribution logistics as well as for services for these industries show potential for growth.

The **Intralogistics** division, comprising HÖRMANN Intralogistics Solutions GmbH, HÖRMANN Logistik Polska Sp. z o.o. and HÖRMANN Intralogistics Solutions GesmbH, operates as a general contractor in the planning and implementation of turnkey material flow systems. Using material flow concepts, complex storage strategies and internally developed software, intralogistics solutions are implemented for individual requirements, thereby enabling international customers from a wide range of industries to achieve enhancements in productivity and efficiency. With HÖRMANN Klatt Conveyors GmbH, the portfolio has been expanded to include the products and conveyor systems developed, planned and manufactured by the company. HÖRMANN Klatt Conveyors GmbH has become an international provider of conveyor systems for industry, airports, mail sorting centres, waste disposal and hospitals.

Because of the integration of the **Services** division in the previous year, the existing range of services (conception, implementation, commissioning, including maintenance, servicing, periodic inspections, relocations, and lifecycle service for automated manufacturing and production facilities) is being expanded with aftersales service in the Intralogistics division, and vertical integration is being increased with in-house assembly services and commissioning.

The unit HÖRMANN Energy Solutions GmbH, newly founded in the financial year 2022, is positioning itself in the field of renewable energy, and it plans, installs and maintains system solutions for generating and using regenerative energy.

ENGINEERING

- ♦ HÖRMANN BauPlan GmbH, Chemnitz
- ♦ HÖRMANN Rawema Engineering & Consulting GmbH, Chemnitz
- ♦ HÖRMANN Vehicle Engineering GmbH, Chemnitz
- ♦ VacuTec Meßtechnik GmbH, Dresden

The **Engineering** division operates in building and industrial planning and in vehicle development. This service range is supplemented by the development and production of detectors for measuring ionising radiation.

HÖRMANN BauPlan GmbH provides engineering services within the construction industry, with a particular focus on commercial and residential construction and especially technical building services.

HÖRMANN Rawema Engineering & Consulting GmbH supplements the service range with general planning and realisation for new factories and the re-engineering and/or relocation of existing factories and facilities.

HÖRMANN Vehicle Engineering GmbH harnesses its expertise and resources in high-tech design engineering for the development of rail and road vehicles.

VacuTec Meßtechnik GmbH develops, produces and markets a broad range of detectors for measuring ionising radiation for use in medicine, industrial metrology and environmental monitoring.

Corporate governance and management system

The management of HÖRMANN Industries GmbH is responsible for managing the business, determining the Group strategy and ensuring that it is implemented. The actions necessary to do so are jointly developed with the management and senior managers of the subsidiaries.

Dr.-Ing. Michael Radke, who has been in the management since 2017, is the chairman of the committee and head of the Automotive, Communication and Engineering divisions. He is also responsible for the cross-divisional functions Human Resources, Marketing and Sustainability Management. Dr.-Ing. Christian Baur, who has been in the management since 2022, is responsible for the Intralogistics division and the cross-divisional digitalisation. Mr Johann Schmid-Davis, who has been in the management since 2015, is responsible for the cross-divisional functions Finance, Accounting, Controlling, Taxes, Investor Relations as well as Information Technology and Legal/Corporate Governance.

The parent company HÖRMANN Industries GmbH and its subsidiaries are managed using strategic and operative key performance indicators and financial ratios, in particular incoming orders, sales, total output, gross profit, earnings before interests and taxes, working capital and liquidity. In addition, relevant early indicators such as market, economic and industry data as well as the performance of important commodity prices are observed, the demand behaviour of customers is evaluated and incoming orders are analysed.

In order to verify the competitiveness of the individual divisions, their productivity, project progress, service quality, and the contribution of products to total sales are regularly analysed. Customer satisfaction data, external audits and results of employee meetings are also taken into account. The planning includes new regulatory requirements, and measures are taken to comply with them in a timely manner.

This currently includes the Act on Corporate Due Diligence Obligations in Supply Chains and the various EU rules and regulations regarding sustainability management such as the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy Regulation and the Cross Border Adjustment Mechanism (CBAM).

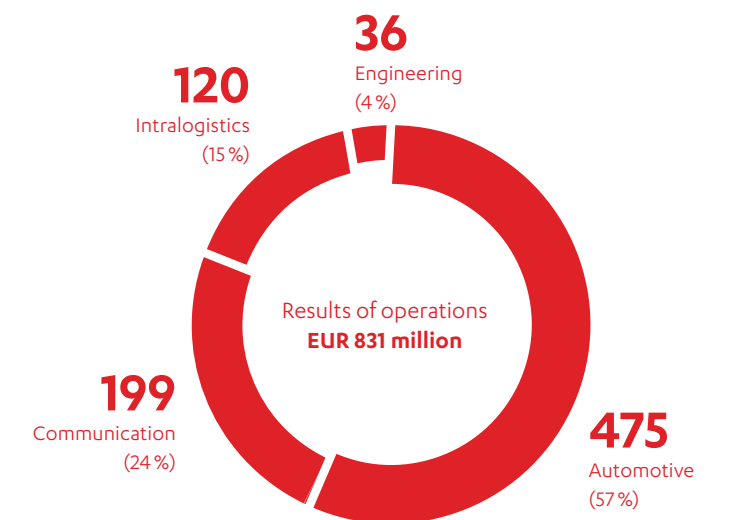
Economic report

GENERAL ECONOMIC AND INDUSTRY CONDITIONS

Throughout 2023, world economic growth was reduced more and more and was affected by international crises such as the conflicts in Ukraine and the Middle East. Although supply chains for the most part had normalised after the COVID-19 disruptions, other challenges emerged, including weak global industrial production as well as a strong reluctance to invest because of insecurity about future economic performance. The interest rate increases by central banks to combat inflation especially slowed investment activity and economic growth. High inflation rates around the globe did start to fall slowly in the second half of 2023, but they remained at a high level between 3.7% and 6.4%. That is why in its World Economic Outlook from January 2024 the International Monetary Fund (IMF) is forecasting a slowed global economic growth in 2023 of 3.1%, compared with 3.5% in the previous year.¹ According to the IMF, gross domestic product (GDP) in the industrialised countries only increased by 1.6% and by 4.1% in developing countries.

Europe was especially still affected by the conflict in Ukraine, which led to widespread economic stagnation. In the euro area, GDP increased according to the IMF by just 0.5% in 2023 (previous year: 3.4%) while it even fell in Germany by 0.3%. According to the German Federal Statistical Office, prices remained high at all economic levels in spite of the decline of inflation and had a negative effect on the economy.² In addition, there were unfavourable financing conditions because of interest rates that had risen sharply. Because of falling international and domestic demand, the German economic recovery following the deep slump in the COVID-19 year 2020 was not able to be continued in the reporting period.

Breakdown of sales by business division for 2023
in EUR million



INDUSTRY ENVIRONMENT

The industry environment is discussed in the information on the course of business in the individual divisions starting on page 65.

Results of operations

HÖRMANN Industries generated sales of EUR 830.9 million in the 2023 financial year. This represented an increase of EUR 145.2 million or 21.2% as against the previous year (EUR 685.7 million). While the period under review was characterised by the recovery in the commercial vehicle industry and the continued passing on of inflation-related price increases, 2022 was negatively impacted by the effects of the conflict in Ukraine and the COVID-19 pandemic as well as the associated supply bottlenecks and production disruptions. Moreover, some multi-year project orders were able to be completed in the Communication and Intralogistics divisions particularly in other EU countries in the reporting year, which disproportionately increased sales, especially in the final quarter of 2023.

Taking into account inventory changes of EUR -16.7 million and own work capitalised of EUR 2.4 million, **total output** of HÖRMANN Industries amounted to EUR 816.5 million, up EUR 107.6 million or 15.2% on the same period of the previous year (EUR 709.0 million).

¹ IMF World Economic Outlook January 2024

² Destatis press release No 19, 15 January 2024

The **cost of materials** of EUR 480.3 million (previous year: EUR 419.9 million) included costs of raw materials, consumables and supplies and of purchased merchandise (including energy) of EUR 385.9 million (previous year: EUR 334.6 million) and costs of purchased services of EUR 94.4 million (previous year: EUR 85.2 million). The cost of materials ratio corresponded to 58.8% of total output, down 0.4 percentage points on the prior-year figure (59.2%).

Other operating income of EUR 17.0 million (previous year: EUR 16.1 million) at the previous year's level includes income from the reversal of provisions of EUR 8.7 million, income from investment and research grants of EUR 2.1 million, payments in kind of EUR 2.1 million, income from payments for damages of EUR 0.7 million and EUR 0.2 million from the reversal of write-downs.

At EUR 353.3 million, **gross profit** increased by EUR 48.1 million compared with the prior-year figure of EUR 305.2 million. In the reporting year, the gross profit margin remained essentially unchanged year-on-year at 43.3% of total output (previous year: 43.0%).

Personnel expenses of EUR 200.4 million were up EUR 20.7 million on the previous year (EUR 179.7 million). The staff cost ratio improved to 24.6% of total output in 2023 after 25.4% in the same period of the previous year. On average, HÖRMANN Industries GmbH employed 2,919 people during the year (2022: 2,876), not including trainees.

Depreciation and amortisation were up EUR 2.2 million above the previous year's level and were at EUR 13.8 million (EUR 11.6 million). This included scheduled goodwill amortisation of EUR 2.2 million (previous year: EUR 1.8 million). Non-recurring depreciation and amortisation of current assets of EUR 1.3 million were also recognised in the reporting year.

Other operating expenses rose by EUR 17.8 million year-on-year to EUR 106.9 million (previous year: EUR 89.1 million). EUR 17.9 million of this related to the cost of buildings and premises, EUR 28.3 million to administrative expenses and EUR 40.0 million to operating and selling expenses. As against the previous year, there were increases in operating expenses (up EUR 5.5 million), the cost of premises (up EUR 1.4 million), administrative expenses driven by the increase in IT costs (up EUR 5.5 million) and travel and vehicle costs (up EUR 1.0 million) in the reporting period. Moreover, non-recurring depreciation and

amortisation of current assets of EUR 1.8 million had to be recognised in the 2023 financial year. Other operating expenses corresponded to 13.1% of total output, which was slightly higher than the 2022 level (12.6%).

The **operating result**, which is the gross profit less personnel expenses, depreciation and amortisation and other operating expenses, increased by EUR 7.3 million or 29.4% to EUR 32.1 million (previous year: EUR 24.8 million) due to the good business development in the past year.

After deducting **other taxes** of EUR 1.4 million (previous year: EUR 1.2 million), **earnings before interest and taxes (EBIT)** for the 2023 financial year totalled EUR 30.7 million (previous year: EUR 23.7 million). Encouragingly, all four business divisions contributed to the improvement in earnings.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) generated in the 2023 financial year amounted to EUR 44.5 million (previous year: EUR 35.3 million). This represents an EBITDA margin of 5.5% (previous year: 5.0%) of total output.

Given the strategic focus within the Automotive division, HÖRMANN Automotive Eislingen GmbH (now ALSTAKOM – Aluminium- und Stahlkomponenten Ebersbach GmbH), a manufacturer of fuel tanks and hydraulic tanks as well as service hatches for buses and agricultural and construction machinery, was sold as at 31 October 2023. The primary result of this was non-recurring **expenses from the disposal of shares in subsidiaries** of EUR 7.4 million.

Taking into account the **expenses from the disposal of shares in subsidiaries** totalling EUR 7.4 million, the **financial result** of EUR –12.0 million was EUR 8.7 million lower than in the same period of the previous year (EUR –3.3 million). In the reporting year, interest and similar expenses including commitment fees were incurred in the amount of EUR 7.0 million (previous year: EUR 4.2 million) for the completely repaid or exchanged 2019/2024 bond, the new 2023/2028 bond issued in July 2023, the credit facilities of EUR 40 million already provided under the existing syndicated loan agreement and the tranche drawn down under the KfW entrepreneur loan. These expenses were offset by interest and investment income of EUR 2.4 million (previous year: EUR 0.9 million).

The **income tax expense** for trade and corporation tax amounted to EUR 9.2 million in 2023 (previous year: EUR 8.1 million).

The reporting year ended with **consolidated net income** of EUR 9.5 million (previous year: EUR 12.2 million).

FINANCIAL POSITION

Capital structure

Total assets as at 31 December 2023 rose by EUR 11.9 million, from EUR 364.8 million to EUR 376.7 million, essentially as a result of the increase in fixed assets as against the end of the previous year (31 December 2022).

The Group's **equity base** including non-controlling interests amounted to EUR 136.6 million as at 31 December 2023 (31 December 2022: EUR 136.4 million). With shares in affiliated companies increasing in the reporting year, the corresponding equity investments were offset against equity in the amount of EUR 5.7 million (capital method). In addition, distributions and dividend payments of EUR 5.1 million were made in the past financial year. In connection with the increase in total assets, the equity ratio fell to 36.3% as at the reporting date 31 December 2023 (31 December 2022: 37.4%).

Including inventories of EUR 82.1 million and trade receivables of EUR 83.0 million and less trade payables of EUR 54.2 million, **working capital** fell to EUR 110.8 million at the end of the reporting year (31 December 2022: EUR 112.4 million). In spite of the increased business volume and sales growth, working capital was able to be kept under the amount as against the end of the previous year by stringent, target-oriented working capital management and the high sales realisation in the fourth quarter of 2023.

Liabilities in connection with **bonds** amounted to EUR 50.0 million as at 31 December 2023 (31 December 2022: EUR 50.0 million). With a view to the developments on the capital and credit markets, a bond with a volume of EUR 50.0 million, a coupon of 7.0% and a term of five years to 11 July 2028 was issued on 11 July 2023. The issue involved an exchange offer for the existing 2019/2024 bond with a volume of EUR 50.0 million. The 2019/2024 bond not redeemed as part of the exchange offer, which amounted to EUR 34.8 million, was terminated and repaid ahead of schedule in September 2023.

There were **liabilities to banks** of EUR 5.7 million as at the 2023 balance sheet date (31 December 2022: EUR 7.8 million). From the KfW entrepreneur loan granted in 2020 with a nominal amount of EUR 10.0 million resulted in liabilities of EUR 4.4 million at the reporting date (31 December 2022: EUR 6.9 million). The loan has a term of five years with 16 quarterly repayment instalments beginning in the second year. By the end of 2023, cumulative repayments of EUR 5.6 million had been made.

Under the syndicated loan agreement concluded with a bank consortium comprising SaarLB, Commerzbank AG, HeLaBa and Oberbank AG, the Group has a credit facility of up to EUR 40.0 million until the end of 2025, of which up to EUR 15 million can be used as a current account credit line and up to EUR 25 million as a revolving EURIBOR line. This loan was not utilised as at 31 December 2023 (31 December 2022: utilisation of EUR 0.0 million). In addition, there is a local foreign credit facility (Volksbank Salzburg eG) of EUR 2.5 million that can be used as a current account credit line and a surety facility. Liabilities from this as at 31 December 2023 amounted to EUR 1.4 million (31 December 2022: EUR 0.7 million).

Liquidity

Bank balances amounted to EUR 64.9 million as at the balance sheet date (31 December 2022: EUR 73.1 million). There were credit facilities of around EUR 41 million available as at 31 December 2023 (31 December 2022: EUR 40.5 million).

HÖRMANN Industries had **net cash and cash equivalents** of EUR 59.2 million at the balance sheet date (31 December 2022: EUR 65.3 million). Net cash and cash equivalents are calculated as cash in hand and bank balances less liabilities to banks. The main reasons for the decline were the acquisition of stakes in HÖRMANN Klatt Conveyors GmbH and in Radionika Sp. z o.o., the investments in the fixed assets made in the 2023 financial year as well as the distributions and dividends that were paid out. With net cash and cash equivalents of EUR 59.2 million and the unutilised credit facilities of EUR 41 million, HÖRMANN Industries GmbH still has sufficient liquidity.

Consolidated Cash Flow Statement

The cash flow statement is structured in accordance with GAS 21. The **cash flow from operating activities** increased to EUR 31.9 million in the 2023 financial year, essentially as a result of the good operating performance and the working capital that was kept under the prior-year figure in spite of strong growth (previous year: EUR –7.2 million).

In 2023, the **cash flow from investing activities** fell to EUR -24.8 million after EUR -2.9 million in 2022 because of increased investments and purchases of equity interests or payments for additions to the consolidated group. Meanwhile, other loans reported under long-term financial assets were repaid in the amount of EUR 2.5 million. Investment activity in tangible assets in the year under review focused on necessary purchase of tangible assets and investment in further increasing automation at German production sites in the Automotive division, as well as Funkwerk AG's new factory and administrative buildings in Kölleda, Thuringia.

Cash flow from financing activities amounted to EUR -16.5 million (previous year: EUR -10.4 million). In the 2023 reporting year, four instalments of EUR 2.5 million for the KfW loan were paid. Furthermore, payments for interests and dividends/distributions for shareholders of the parent company and other shareholders amounted to EUR 8.4 million (previous year: EUR 8.9 million). Cash flow from financing activities was also characterised by the purchase price of EUR 6 million for the acquisition of further shares in HÖRMANN Klatt Conveyors GmbH (increase).

Group companies were able to meet their payment obligations at all times.

Assets and liabilities

At EUR 20.0 million, additions to **tangible and intangible assets** were EUR 8.4 million above the previous year (EUR 11.6 million) and EUR 7.5 million above depreciation and amortisation on fixed assets (EUR 12.5 million; previous year: EUR 11.6 million).

Financial assets declined from EUR 21.8 million to EUR 19.5 million as a result of the scheduled repayment of other loans.

The first-time consolidation of Funkwerk AG as at 1 October 2016 resulted in goodwill of EUR 2.5 million (31 December 2022: EUR 3.4 million), which was written down pro rata by EUR 0.9 million in the 2023 financial year. The acquisition of MAT Maschinentechnik GmbH at the end of the 2017 financial year (now HÖRMANN Intralogistics Services GmbH) resulted in goodwill on first-time consolidation of EUR 0.2 million as at 31 December 2023 (31 December 2022: EUR 0.2 million), which was written down pro rata by EUR 0.1 million in the past financial year. The first-time consolidation of HÖRMANN Klatt Conveyors GmbH (formerly Klatt Fördertechnik GmbH) as at 1 April 2019 resulted in goodwill of EUR 2.7 million (31 December

2022: EUR 3.3 million), which was written down pro rata by EUR 0.5 million in the past financial year. The acquisition of an equity investment in Radionika Sp. z o.o. in Poland and the first-time consolidation made in this regard in the reporting period resulted in goodwill of EUR 5.3 million that was written down pro rata temporis in the reporting year by EUR 0.3 million.

Total **inventories** (after deducting payments received on account of orders) of EUR 82.1 million were able to be kept under the balance as at the balance sheet date of the previous year (EUR 87.7 million) in spite of growth. The main reason for this was the decline of unfinished goods and services to EUR 117.2 million (31 December 2022: EUR 138.0 million) and the simultaneous decline in payments received on account of orders by EUR 14.2 million to EUR 89.7 million (31 December 2022: EUR 103.9 million). Days in inventory shortened to 36.9 days (previous year: 46.3 days). Daily sales were calculated by dividing inventories as at 31 December 2023 by the average sales per day in the period under review.

Despite the increasingly noticeable reluctance to invest in the industry from the second half of 2023 onwards, the Group was able to increase its incoming orders to EUR 823.2 million in 2023 (previous year: EUR 771.1 million). Thus, the book-to-bill ratio was kept at just under 1 (previous year: 1.12). The book-to-bill ratio relates incoming orders to sales in the reporting period, with a value above 1.0 indicating growth. **Orders on hand** amount to EUR 449.8 million as at the end of 2023 (31 December 2022: EUR 460.3 million). EUR 201.7 million (31 December 2022: EUR 173.8 million) of this related to the Communication division, EUR 81.8 million (31 December 2022: EUR 118.9 million) to the Intralogistics division, EUR 117.3 million (31 December 2022: EUR 119.0 million) to the Automotive division and EUR 49.0 million (31 December 2022: EUR 48.6 million) to the Engineering division. The project-oriented divisions of Communication and Engineering thus have an order backlog of around one year's sales. In the past financial year, the Intralogistics division had to write off a large order of around EUR 12 million caused by the insolvency of the project customer, which then had a negative effect on orders on hand. In the Automotive division, the existing multi-year master agreements with OEM customers are only included in orders on hand for advised call-off orders of an average of 12 weeks.

Trade receivables increased from EUR 77.7 million to EUR 83.0 million, essentially as a result of sales growth and price increases due to inflation and the

disproportionate increase in business volume in the fourth quarter of 2023 driven by the billing of several large projects in the Intralogistics and Communication division, resulting in days sales outstanding of 34.9 days (previous year: 41.0 days). Daily sales were calculated by dividing receivables as at 31 December 2023 by the average sales per day in the period under review. As in previous years, the Automotive division is included in reverse factoring arrangements with two major customers under which current trade receivables with a short payment term of less than ten days are typically purchased on a fintech platform.

Other assets increased from EUR 15.8 million to EUR 23.6 million. As at the balance sheet date, this included receivables from income tax of EUR 12.1 million (31 December 2022: EUR 5.9 million).

Deferred taxes are taken over from the single-entity financial statements. Deferred tax assets mainly result from differences between the amounts recognised for provisions in the financial accounts and the tax accounts, and from tax loss carryforwards that could be used at a future date. As at 31 December 2023, this item had a value of EUR 17.0 million (31 December 2022: EUR 15.0 million).

Pension provisions were down year-on-year at EUR 19.2 million as at 31 December 2023 (31 December 2022: EUR 20.3 million).

At EUR 5.8 million, **tax provisions** remained at the level of the carrying amount as at the end of the previous year (EUR 6.0 million).

Trade payables increased slightly from EUR 52.7 million to EUR 54.2 million as a result of reporting date factors and price. The utilisation of trade credit for the cost of materials and other operating expenses shortened from an average of 37.5 days in the previous year to 32.9 days. The average duration of credit utilisation is calculated by dividing trade payables as at 31 December 2023 by the total of the average cost of materials and other operating expenses per day in the period under review.

The exchange rate effects had no significant impact on the Group's net assets, financial position and results of operations.

REPORT ON PERFORMANCE INDICATORS

Non-financial performance indicators

Research and development

The technological expertise of the Group at HÖRMANN Industries GmbH is an essential building block for the Company's market position, and it is being further developed on an ongoing basis by research and development (R&D) activities. The focus is on customer or country-specific development and applications as well as internally developed solutions.

In addition to the new development and refinement of products and systems, the tasks of the R&D team for the Group include ensuring sufficient cost-oriented provision of the necessary parts and materials. By qualifying adequate alternatives and additional sources of procurement, supply bottlenecks and delivery delays should be compensated for, and an efficient workflow should be insured.

In the **Automotive** division, an understanding of metallurgy, metal forming and joining technologies as well as the quality requirements of customer products is a key success factor. Expertise in specific products is needed to gain additional market share. For new series production orders, the design and development as well as the use and maintenance of technologically sophisticated tools in production are important. In addition to the ongoing enhancement of existing expertise, progress is being made in the development of new manufacturing technologies and their application to new materials, for example to meet the requirements of modern electric commercial vehicles. A particular focus here is on lightweight construction and weight reduction, composite components made of various materials and standardisation for the further development of OEMs platform strategies.

The **Engineering** division contributes to the successful market profile of the Group as a whole with its consulting expertise. HÖRMANN Vehicle Engineering GmbH is expanding the division's vehicle development expertise and leveraging synergy potential with the Automotive division. This is helping to support the strategic development of the Automotive division from a build-to-print manufacturer to a solution provider and module supplier using the latest design, calculation and simulation methods. In conjunction with joint research projects, HÖRMANN Vehicle Engineering GmbH is also involved in the development of vehicles with innovative fuel cell drives and the use of hydrogen technology.

Development activities in the **Intralogistics** division focus on the refinement of the HiLIS warehouse management system as well as on standardising and

expanding HÖRMANN Klatt Conveyors GmbH's product range with innovative products and solutions such as the award-winning SECTRO system for revolutionising airport security. The software product HILIS is the core of the control system for automatic and manual intralogistics processes at customers' facilities. It is a high-performance software suite that is able to flexibly map all key processes in intralogistics. Development capacity was increased so that market and customer requirements can be served with fast response times.

The primary objective of the research and development activities in the **Communication** division is to expand its technology leadership in the respective technologies and markets for specific applications. These activities focus on customer-specific developments and applications as well as new products and system solutions. A key area of this is the development of new electronics, new filter technologies and new mobile phone standards for train radios as well as the ongoing development of the extensive product-oriented software systems. Work is also constantly being done to improve production processes.

In addition, **HÖRMANN Digital GmbH** and its team of specialists are tasked with developing new digital business models and software-based product enhancements for the individual divisions.

In order to utilise as much expertise for development as possible and to always be at the cutting edge of research, all the divisions regularly cooperate with external partners and universities. In addition, there is a regular dialogue with suppliers of key components and customers in order to allow innovative topics and trends and individual requirements to be integrated into the development process at an early stage.

Production

The Automotive, Communication, Intralogistics and Engineering divisions operated at full capacity throughout 2023 thanks to the high order and business volumes.

Procurement

The purchase of raw materials, supplies and components within the Group is managed on a distributed basis by the individual subsidiaries as needed. The required materials are procured worldwide from

various suppliers, most of whom the units work with on a long-term basis. Depending on the volume, master agreements are used that can last for several years in some cases. In the Automotive division, there is a strategic purchasing department that is responsible for leveraging additional cost-cutting potential by bundling a wide range of product groups and services.

In the 2021 and 2022 financial years, purchasing faced the challenge of excess demand on the steel market, the lack of availability of electronic components and the need to ensure the supply of production materials in this context. This situation eased during the course of 2023. However, the Group continued to be affected by inflation-related price rises, especially for energy, and additional logistics expenses in the period under review. Accordingly, the rise in inventory levels due to price increases again prompted purchasing organisations to tailor the flow of materials to demand in close cooperation with production planning departments during the period under review, thereby reducing turnaround times.

The global and European procurement markets are seeing sustained volatility and extremely high inflationary trends with risks that are largely incalculable.

Employees

HÖRMANN Industries employed a total of 2,919 people on average in the 2023 financial year after 2,876 in the previous year.

It also employed a total of 76 trainees (previous year: 84). Measured against the total workforce, this corresponds to a share of around 2.6%. The training on offer covers various industrial and commercial occupations.

In order to secure the Group's further growth in terms of staff and to actively counteract a possible shortage of skilled workers, one of the focal points of human resources work is to consistently enhance the attractiveness of the HÖRMANN Group as an employer and to attract competent, motivated young professionals. The HÖRMANN Group has the target to create an interesting and attractive working environment for employees and applicants, with a wide range of creative freedom. It also places importance on a motivational corporate culture, safety at work and social factors such as the balance between family and working life. In addition, the Group offers

performance-based incentive systems, targeted professional training and a broad range of further education and training opportunities to continuously develop the skills and expertise of its employees and prepare staff in time for future requirements.

Quality assurance

To ensure the level of quality and the reliability of our products and services in the long term, the relevant processes in the Group's operating units are regularly reviewed according to the individual requirements and improved where necessary. The respective quality management systems are continuously certified or re-certified according to requirements. The requirements of the General Data Protection Regulation (GDPR) are monitored by an external data protection officer.

Sustainability and social responsibility

An important pillar of long-term corporate development is the acceptance of entrepreneurial, ecological and social responsibility. The HÖRMANN Group is endeavouring to reduce its effects on the environment on an ongoing basis and to minimise them as much as possible. Ecological interests are linked to economic goals. The HÖRMANN Group also meets its responsibility to society and its employees in many different ways. In addition to supporting universities and schools, the Group awards scholarships and sponsors cultural institutions and social projects.

The Group's activities to implement the CSRD are coordinated by the Sustainability department in the Group parent company that operates centrally for the entire Group. It is supported by a large-scale sustainability organisation and a network of sustainability coordinators in every subsidiary. Its actions are documented in the sustainability report. HÖRMANN Group currently measures the impact of its sustainability measures and the progress in relation to its objectives with the help of a self-defined key performance indicator system based on the Global Reporting Initiative (GRI).

HÖRMANN Industries has made sustainability a central role in terms of corporate governance since 2021. After 2021 and 2022, a voluntary sustainability report is being published for the 2023 financial year for the third time based on the internationally recognised GRI framework. Moreover, the HÖRMANN Group has expanded its carbon accounting in the reporting period and is disclosing its upstream

emissions for the first time. A sustainability management system capable of being audited is gradually being established, and sustainability initiatives are being implemented so that the future statutory requirements will be met.

The HÖRMANN Group has established a basis for the Corporate Sustainability Reporting Directive (CSRD) at an early stage because of its sustainability reporting based on the GRI. The HÖRMANN Group is starting several projects in the financial year 2024 in order to be prepared for the European sustainability directive CSRD that applies from 1 January 2025 or to be prepared for the European Sustainability Reporting Standards (ESRS) for gathering key performance indicators in the future. This includes amending the materiality analysis in line with the ESRS as the basis for deriving the key performance indicators that are to be reported on and an initial project for the EU Taxonomy. This increases transparency for employees, customers, suppliers, partners, shareholders and interested members of the public. From the 2025 reporting year, the sustainability report that until then had been voluntary (or the non-financial performance report) will be a part of the Management Report.

Based on the results of the materiality analysis, the HÖRMANN Group's sustainability strategy is based on four pillars to achieve positive effects on the sustainability dimensions.

- 1. Entrench a culture of sustainability:** implement sustainability in corporate governance; enable employees to think and act sustainably; create a roadmap to reach the targets
- 2. Become climate neutral:** push a focus on renewable energies; strive to reduce emissions by 2030 based on the Science Based Targets initiative (SBTi); climate neutrality by 2045
- 3. Sustainable value chains:** create supply chain transparency; invest in digitalisation and networking; reduce resource consumption
- 4. Make progress for people:** increase employee satisfaction; promote a modern working environment with development opportunities; equal opportunity and diversity

Work on creating a decarbonisation roadmap was begun in the reporting period in order to reach climate goals and to identify and quantify necessary actions. In order to promote employee development opportunities, the HÖRMANN Group introduced HÖRMANN learning worlds in the reporting year. HÖRMANN learning worlds is a platform with a comprehensive training programme that is accessible to all employees. Employee onboarding will begin in the spring of the new financial year 2024.

In the second half of 2023, the HÖRMANN Group implemented a software programme to increase supply chain transparency and to take social responsibility. By using this software programme, the due diligence obligations from the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG, *Lieferkettengesetz*) are met, and risk management is expanded. HÖRMANN Industries GmbH is collaborating on an ongoing basis with the companies of the divisions to identify which expertise is already present in the companies and to determine the way that synergies can be used in the future. As part of this, the Group is striving to create an efficient, effective allocation of roles in the Group. Currently, an appropriate target vision is being created. Structuring of Group-wide or company-specific management approaches is geared toward the various market and customer requirements of the companies and divisions as well as the varying stages that individual sustainability topics are at. If possible, overarching management approaches are used for all divisions. Whenever the suitability of management approaches depends more on production conditions, the product portfolio or regulatory requirements, the companies are responsible for implementation in close collaboration with the parent company of the group. For example, this applies to the focal areas of "decarbonisation & resource use".

Sustainability aspects also play an important role in planning and completing the Group's construction projects. Actions for increasing energy efficiency are especially being implemented. This includes the construction of a new office building and plant for Funkwerk AG in Kölleda which has a modern heating and cooling ceiling operated by a heat pump and enables energy-efficient, environmentally friendly air-conditioning of the premises using automated outdoor venetian blinds. The new production building is also equipped with a photovoltaic system with a total output of 90 kWp.

In the area of mobility, the company car guideline is being amended to provide an incentive for electric, battery-driven vehicles to push ahead with electrifying the vehicle fleet.

Financial performance indicators

Regular reporting is still focused on the financial performance indicators. HÖRMANN Industries is managed on the basis of the financial key performance indicators of incoming orders, sales, total output, gross profit, EBIT, working capital, and the EBIT margin. Orders on hand are also monitored. All key performance indicator systems and monthly reports of the subsidiaries show these key performance indicators with a target/actual and year-on-year comparison.

Liquidity available is also a key performance indicator. Frequent, Group-wide liquidity planning and management plays a key role.

	2023	2022	2021
Sales (EUR million)	830.9	685.7	589.8
Total output (EUR million)	816.5	709.0	626.8
Gross profit (EUR million)	353.3	305.2	294.6
Gross profit margin/ total output	43.0%	43.0%	47.0%
EBIT (EUR million)	30.7	23.7	30.0
EBIT margin/ total output	3.8%	3.3%	4.8%
Available liquidity (EUR million) (Net liquidity plus unutilised credit facilities)	100.2	106.9	126.8

In its strategic medium-term planning, HÖRMANN Industries is still aiming for a sustained EBIT margin of 5% p. a. in the Group in the coming years.

COURSE OF BUSINESS IN THE INDIVIDUAL DIVISIONS

Automotive division

The Automotive division of HÖRMANN Industries GmbH is a supplier of metal components, modules and systems for the European commercial vehicle industry.

According to the European Automobile Manufacturers' Association (ACEA), the number of commercial vehicles registered in the EU increased significantly in 2023.³ Sales of light commercial vehicles up to 3.5 tonnes in the EU increased by 14.6% to almost 1.5 million units. All important EU markets recorded growth. New truck registrations in the EU also increased according to ACEA by 16.3% to 346,986 units. At 94,820 units sold, Germany was at the top which corresponds to an increase of 24.4%. Growth was also able to be recorded within the various truck segments in the EU in 2023. Registration figures for heavy-duty vehicles over 16 tonnes increased by 14.7% and totalled to 266,879 units (2022: 232,600). Compared to the rest of Europe, the German market achieved by far the strongest increase with 25.2% growth and a total number of 69,982 vehicles. New registrations of vehicles with a gross vehicle weight of between 3.5 and 16 tonnes were at 53,202 vehicles which corresponds to 24.8% growth as against the previous year. In this category as well, the German market was able to achieve an increase of 22.3% to 25,838 units. New registrations of buses in the EU increased by 19.4% to a total of 32,593 units compared with 2022. In Germany and France, the largest and second-largest bus markets in Europe, the number of new bus registrations in 2023 increased by 12.5% and 4.1% respectively. The agricultural machinery segment can also look back on a good financial year in 2023. According to press releases of the VDMA from 19 March 2024, the domestic agricultural machinery industry once again surpassed the previous year's result with sales of EUR 15 billion.

The TRATON Group was again the main customer for the Automotive division in 2023, primarily through its subsidiary MAN Truck & Bus AG. According to the TRATON Group, MAN Truck & Bus AG recorded a total sales increase of 37% to 116,033 vehicles (all vehicle classes/types) in the reporting period.⁴ Truck sales grew the most in 2023 to 83,703 vehicles with a 44% increase. However, at the same time, incoming orders in 2023 as against the previous year fell by 21% to 86,783 vehicles which is especially related to the economic uncertainties on the European market.

³ ACEA Press Release, 26 January 2024

⁴ Traton Group Annual Report 2023

In addition to TRATON SE, Daimler Truck Holding AG is another key customer in the Automotive division. According to the company, sales in the Mercedes-Benz segment in Europe (EU 30) in 2023 also increased and reached a volume of 94,001 vehicles and thus an increase of 9%. Daimler Buses' sales increased in Europe by 26% to 7,976 units.⁵

Multi-year comparison for the Automotive division

	2023	2022	2021	2020	2019
Sales (EUR million)	474.9	403.7	333.5	273.2	379.5
Change (EUR million)	71.2	70.2	60.3	-106.3	-44.4
Change (relative)	17.6%	21.1%	22.1%	-28.0%	-10.5%
EBIT (EUR million)	0.2	-2.7	-5.9	-16.0	3.2
EBIT margin	0.0%	-0.7%	-1.8%	-5.9%	0.8%
Non-recurring and prior-period effects * (EUR million)	0.0	0.0	3.5	5.8	0.2
Adjusted EBIT (EUR million)	0.2	-2.7	-2.4	-10.2	3.4
Adjusted EBIT margin	0.0%	-0.7%	-0.7%	-3.7%	0.9%

* From 2019 to 2021, HÖRMANN Industries recognised provisions and write-downs on current and fixed assets in connection with the adjustment of German personnel capacity as a result of the expansion of automation, the relocation of labour-intensive products to the new plant in Slovakia and the Bielefeld relocation of operations.

In the **Automotive** division, sales increased by EUR 71.2 million or 17.6% year-on-year, from EUR 403.7 million to EUR 474.9 million. Following the outbreak of the conflict in Ukraine, major OEM customers shut down production for several weeks at a time in the first half of 2022, which had a significant negative impact on the Automotive division's business performance in the same period of the previous year. By contrast, the positive forecasts by key customers in truck production came to pass in the 2023 financial year, with the target production volumes being exceeded. Call-off orders in the division amounted to EUR 471.9 million (previous year: EUR 429.6 million). In addition to the growth in sales volumes, the trend in sales continued to be driven by high material prices and the inflation-related development of production costs and the associated price rises that were passed on to customers without affecting the result.

⁵ Daimler Truck Annual Report 2023

A major sales driver in the past financial year once again was the side members for trucks. Because of this key product, HÖRMANN's products are found in many generations of its customers' vehicles. Moreover, the customer base was able to be extended beyond Europe's borders when side members were delivered to NAFFCO, the international industry specialist for fire protection systems. Targeted investments in production facilities to manufacture side members are intended to secure the business for the future in the core market. These investments increase the precision of the products as well as the throughput. This step has made it possible to successfully expand the business to the first generation of electric, battery-driven vehicles of our customer MAN Truck & Bus AG.

In the agricultural machinery customer segment, the new discharge chute ("Spout") for John Deere forage harvesters went into mass production in 2023. HÖRMANN takes on the entire value chain for a relatively complex product from the lasered individual parts to automatic welding of complex assemblies to final installation and vehicle-specific equipment with more than 100 different attachments and delivers this product using JIS logistics. HÖRMANN Automotive is positioning itself more and more as an important supplier in the agricultural machinery industry.

The gross profit margin increased slightly to 32.8% of total output in the period under review after 32.5% in the previous year. The gross profit increased by EUR 24.9 million to EUR 155.8 million (previous year: EUR 130.9 million) on the back of high sales growth.

This high increase of sales and gross profit was successful with EUR 0.2 million in EBIT after a loss of EUR -2.7 million in the year previous to the turnaround in the reporting year.

Earnings before taxes (EBT) was weighed down by extraordinary, non-recurring expenses from the disposal of shares in HÖRMANN Automotive Eislingen GmbH (now ALSTAKOM – Aluminium- und Stahlkomponenten Ebersbach GmbH) amounting to EUR 7.2 million leading to EBIT of around EUR -7.0 million (previous year: EUR -2.7 million).

Communication division

In the Communication division, HÖRMANN Industries GmbH is a technology provider for communication, information, warning and security systems together

with its subsidiaries. A detailed description of these activities can be found in the section "Basic information on the Group". The division's business development is primarily dependent on the economic performance of the railway industry and investment in infrastructure projects, as well as the security industry.

The railway industry has been on a growth course worldwide for many years, but must hold its ground in a dynamic competitive environment. In particular, megatrends such as urbanisation, the increase in trade flows, growing environmental awareness and more stringent environmental protection targets are making rail transport more important. At the same time, the landscape and technological requirements are changing, influenced by digitalisation and new technologies.

The German Railway Industry Association (VDB) reported positive performance in the first half of 2023, and the railway industry was able to record an increase of almost 15% with record sales amounting to EUR 7.8 billion.⁶ The growth was mainly influenced by foreign business, and export business accounted for around 40% of overall sales. However, the market in Germany shrunk in the first half of the year by 8% to almost EUR 5 billion according to information from the VDB. Notwithstanding, incoming orders increased to EUR 12.2 billion and thus were 36% above the comparable prior year figure. Foreign orders in the infrastructure business even doubled to EUR 1.2 billion. In spite of the strong order levels, the railway industry is being confronted with the effects of continuing inflation and the resulting challenges. These impacts are primarily noticeable because of an imbalance in sharing of additional costs as well as the risk of cost increases for manufacturers. At the time the report was prepared, no publication was available on the performance of the railway industry in Germany for the full year 2023.

The security industry in Germany presented an ambiguous picture of the situation for the year 2023. According to the autumn economic survey by the German Federal Security Technology Association (BHE), companies assigned a score of 1.98 (on a scale of 1 (positive) to 6 (negative)) – the second-best result since the outbreak of the COVID-19 pandemic.⁷ The number had still been 2.15 in autumn 2022. More than 83% of the companies concerned assessed the

current situation as "very good" or "good" (2022: 69%), and only 1% of the companies referred to the current business situation as "poor" according to the survey results. As in the previous year, the overall positive performance was not reflected in some customer groups, and there was a significant worsening in the survey results especially for the private sector. An assessment of 3.05 (spring 2023: 2.92) means the third-worst result in this customer group since records began. It was similar in the commercial sector, which achieved a result of 2.14 (spring 2023: 2.07). Differences in assessments were also seen within individual sectors. Among others, the video surveillance sector declined slightly to 2.29 (spring 2023: 2.23) according to the survey results. In contrast to this, the access control sector improved with a number of 2.03 (spring 2023: 2.11).

The **Communication** division once again was able to complete a good financial year, recording incoming orders of EUR 228.2 million (previous year: EUR 214.1 million). With sales of EUR 199.4 million (previous year: EUR 180.2 million) and total output of EUR 206.4 million (previous year: EUR 185.4 million), the division surpassed the prior-year level and the forecast. The division's earnings performance was also largely unchanged year-on-year, with EBIT amounting to EUR 31.1 million (previous year: EUR 31.7 million).

The market position was able to be expanded again in 2023 in the GSM-R train radio product area. With two large orders, the Spanish rail network is being developed in steps and is to be gradually equipped with digital train radio. In the next two years, Funkwerk will be equipping more than 500 existing passenger trains and locomotives with GSM-R systems and is also equipping around 400 new vehicles with what are called dual-mode systems. They can be operated in both GSM-R digital radio and analogue mode.

Moreover, the majority investment in Radionika SP. z o.o. in Kraków provided a successful entry with train radio products into Poland which is an important railway market.

The passenger information product area won the contract in the reporting year for several large master agreements in Germany, Austria and Switzerland (GAS). The projects will extend over multiple years and will form a good baseline for further growth.

Among others, Funkwerk is developing a new generation of Infomonitors for Deutsche Bahn (DB) that will be installed on platforms and in station buildings. The contract for a term of at least four years includes various types of displays and cases for the displays. DB's goal is to modernise all platform displays by 2030 to provide travellers with the best-possible digital customer information. At the end of the year, a purchase agreement was signed to acquire shares in Elektrotechnik und Elektronik Oltmann GmbH headquartered in Berlin. Thus, the Passenger Information Systems division strengthened its market position with monochrome LED displays that not only play an important role in regional train stations but also for public transport. Oltmann GmbH is not included yet in the business numbers for the 2023 financial year, and the first-time consolidation will only take place in 2024.

The warning systems product area was able to record a surge in growth in 2023 thanks to the Federal Office for Civil Protection and Disaster Assistance's (BKK) siren subsidy programme and because of some federal states. Using this programme, the German federal government provides funding of EUR 88 million to expand Germany's municipal siren network. HÖRMANN has been operating in the development, production, installation and maintenance of civil defence sirens in Germany for more than 50 years. The product area also experienced increased demand from outside Germany. For example, a major government contract was implemented in the financial year in Bulgaria to deliver and launch 500 sirens to extend the country's warning system.

The Communication division's positive business performance is also supported by the demand for qualified electrical planning and installation services, for mechanical assembly and maintenance for the energy transition and investment in the expansion of railway transport, which benefited HÖRMANN Kommunikation & Netze GmbH.

⁶ German Railway Industry Association, press release, 7 November 2023

⁷ German Federal Security Technology Association e.V., autumn economic survey 2023

Multi-year comparison for the
Communication division:

	2023	2022	2021	2020	2019
Sales (EUR million)	199.4	180.2	169.9	146.3	134.2
Change (EUR million)	19.2	10.3	23.6	12.1	20.8
Change (relative)	10.7%	6.1%	16.1%	9.0%	18.3%
EBIT (EUR million)	31.1	31.7	37.1	23.5	18.5
EBIT margin	15.6%	17.6%	21.8%	16.1%	13.8%

Overall, the Communication division has enjoyed stable sales and earnings development (EBIT) for many years.

Intralogistics division

In the **Intralogistics** division, the HÖRMANN Group caters to the long-term increase in market demand for sophisticated system solutions for intralogistics, i.e. automation solutions for production, warehouse and distribution logistics, and for services. A detailed description of these activities can be found in the section "Basic information on the Group". The division's business development is primarily dependent on the economic performance of the logistics industry.

According to the VDMA Trade Association for Conveyor Technology and Intralogistics, conveyor technology and intralogistics providers reported growth of 9% as against the previous year with an estimated production volume of EUR 27 billion in Germany in 2023.⁸ After a weaker first half of the year, foreign business and increased willingness to invest by customer industries were especially responsible for the economic upturn according to information from the VDMA. Overall, manufacturers increased their production volumes, specifically for foreign trade, by 13% to EUR 20.4 billion. According to VDMA data, the USA remains the most important trading partner; exports to the USA increased by 28% to EUR 2.7 billion. The European internal market also proved to be robust once again for German providers: approximately 64% of the overall export volume (EUR 12.4 billion) was generated in Europe, which corresponds to 8% growth year-on-year.

⁸ VDMA Trade Association for Conveyor Technology and Intralogistics, press release, 13 March 2024

In comparison, the state of the German logistics industry worsened at the beginning of 2024. The industry's index fell noticeably in the first quarter to 81.8 index points. This comes from the monthly logistics indicator surveys conducted by the ifo Institute on behalf of the German Logistics Industry Association (BVL) as part of its economic surveys.⁹ The business situation indicator is continuing to drop. The participants seemed to be unhappy with their current order levels according to the ifo Institute. After a short improvement of the expectation indicator at the end of 2023, it worsened again at the beginning of 2024. Many regarded the upcoming year 2024 with worry.

Having been impacted by supply bottlenecks and uncertainties in the previous year, the **Intralogistics** division was also affected during the reporting year by the perceptible increase in the reluctance to invest or by the postponement of investments during the course of the year. As a result, incoming orders in financial year 2023 declined year-on-year (EUR 104.2 million) by around 11% to EUR 92.4 million. Order levels were also affected by the insolvency of a customer and the associated elimination of a project order of around EUR 12 billion.

In regard to the large number of orders on hand at the beginning of 2023 of EUR 118.9 million, the focus was on organisational development and completing multi-year project orders, which was especially apparent in the sales of the final quarter of 2023. Several large projects were able to be completed in the fourth quarter of 2023 which caused quarterly sales to increase to EUR 51.1 million, an increase of EUR 22 million or 75% compared to the fourth quarter of 2022 (EUR 29.1 million).

Total sales in the 2023 financial year increased year-on-year (EUR 79.1 million) by EUR 40.6 million or 51.3% to EUR 119.7 million.

With total output of EUR 104.2 million (previous year: EUR 91.1 million), the division was able to improve its EBIT year-on-year (EUR -3.3 million) by EUR 6.5 million to EUR 3.2 million in the reporting period in spite of increased costs from construction time delays, material price increases and non-recurring expenses from the insolvency of a project customer.

⁹ German Logistics Industry Association, logistics indicator for the first quarter 2024, 8 March 2024

Multi-year comparison
for the **Intralogistics** division:

	2023	2022	2021	2020	2019
Sales (EUR million)	119.7	79.1	64.2	72.4	67.3
Change (EUR million)	40.6	14.9	-8.4	5.3	
Change (relative)	51.3%	23.2%	-11.6%	7.9%	
EBIT (EUR million)	3.2	-3.3	1.1	3.9	-0.2
EBIT margin	2.7%	-4.2%	1.7%	5.4%	-0.3%
Non-recurring and prior-period effects* (EUR million)	0.3	0.7	0.0	0.5	2.4
Adjusted EBIT (EUR million)	3.5	-2.6	1.1	3.4	-2.2
Adjusted EBIT margin	2.9%	-3.3%	1.7%	4.7%	3.3%

* In 2019 and 2022, the restructuring of the industrial service units of HÖRMANN Industries and the subsequent follow-up and labour-intensive costs from project orders, the consolidation of administrative locations and the associated adjustment of staff capacity and rental expenses until the end of the respective rental agreements as well as goodwill impairment resulted in non-recurring expenses of EUR 2.4 million and EUR 0.7 million respectively. Goodwill impairment of EUR 0.5 million was recognised in 2020 due to the development in enterprise value. The 2023 financial year was exceptionally impacted by extraordinary write-downs on fixed assets caused by the insolvency of a project customer amounting to EUR 0.3.

The figures for the years 2019 to 2021 are presented on a pro forma basis as the division was spun off from the Engineering division in 2022, and the Services division was integrated into it.

Engineering division

HÖRMANN Industries and its subsidiaries offer a broad range of products and services in the **Engineering** division. A detailed description of these activities can be found in the section "Basic information on the Group". The division's business development is primarily dependent on the economic performance of the construction, railway vehicle construction and medical technology industries.

With regard to the economic development of railway vehicle construction, please refer to the comments on the Communication division.

According to information from the Central Association of the German Construction Industry (ZDB), a decline of construction activity is expected in 2023.¹⁰ Sales in the reporting period are anticipated to fall in real terms by 5.3% to EUR 162.5 billion. This development is explained by the slump in residential construction due to the difficult overall economic conditions, increased construction and financing costs and heightened competition for orders in the construction industry. Both in commercial construction and public-sector construction, a decline in real terms of 2% to sales of around EUR 59.6 billion or EUR 44.0 billion respectively are expected in 2023.

At EUR 36.4 million, sales in the **Engineering** division were EUR 14.8 million or 68.5% above the previous year (EUR 21.6 million). Bolstered by a good order book, with orders on hand of EUR 49.0 million (previous year: EUR 48.6 million) as at the end of the period under review, the division generated total output of EUR 33.6 million. The change in the product and service mix compared with the previous year meant that EBIT increased to EUR 4.3 million after EUR 4.0 million in the previous year.

Multi-year comparison for the
Engineering division:

	2023	2022	2021	2020	2019
Sales (EUR million)	36.4	21.6	23.0	30.7	42.2
Change (EUR million)	14.8	-1.4	-7.7	-11.5	
Change (relative)	68.5%	-6.1%	-25.1%	-27.2%	
EBIT (EUR million)	4.3	4.0	4.3	2.8	5.8
EBIT margin	11.8%	18.5%	18.7%	9.0%	13.6%

The figures for the years 2019 to 2021 are presented on a pro forma basis as HÖRMANN Logistik GmbH, HÖRMANN Klatt Conveyors GmbH and HÖRMANN Logistik Polska Sp. z o.o. were reassigned to the new Intralogistics division in 2022.

¹⁰ Central Association of the German Construction Industry, press release, 6 December 2023

Opportunities and risks of future development

OUTLOOK

General economic conditions

In its forecast from January 2024, the IMF expects that the global economy will merely grow at a moderate rate in this financial year as well.¹¹ Although experts expect inflation to drop in comparison to previous years, it is likely to remain at a high level in 2024 as well due to high collective wage agreements and the wage-price spiral that is beginning. The expectation is that the global inflation rate in 2024 will be at 5.8% after being at 6.9% in 2023. It is also expected that many important economic regions will not reach the inflation targets set by central banks until after 2025. In addition, there are continuing uncertainties about the future geopolitical situation which continue to lead to a general reluctance to invest. Consequently, the IMF expects that there will be a global increase in GDP for the world economy this year of 3.1%. Thus, economic growth may be expected to be at a low level overall in 2024 as well after the weak previous year, and economic growth may be lower than the historical average (2000-2019) of 3.8%. In industrialised nations as a whole, an increase of gross domestic product of 1.5% is expected for 2024, and a growth in economic performance of 4.1% is forecast for emerging and developing countries. An increase of gross domestic product of 0.8% is forecast for the euro area, and a slight increase of economic performance of 0.3% is forecast for Germany. However, in its current annual projection, the German federal government assumes that due to the challenges that have been stated the German economy will be more sluggish to come out of the crisis than initially assumed and now is only forecasting real GDP growth for this financial year of merely 0.2%.¹² This forecast was recently decreased again to only 0.1% on 6 March 2024 in the spring forecast of the Kiel Institute for the World Economy.

Experts are stating that the main reasons for the poor performance are low domestic demand of private households and companies that cannot currently be balanced out by exports. A further aspect is the deck brake that is restricting the necessary government investments in the energy transition, infrastructure renewal and digitalisation expansion.

Forecast for the Automotive division

According to S&P Global Mobility, global production of commercial vehicles is expected to increase slightly by 0.8% in 2024.¹³ However, a decline of 6.2% is expected for Europe. This mixed forecast is in line with the forecast at the TRATON Group, whose subsidiary MAN Truck & Bus AG is a key customer for the division. TRATON is still expecting to benefit in this financial year from its large number of orders on hand.¹⁴ At the same time, declining overall demand is expected in core markets, which is why TRATON is forecasting sales performance in Europe to be in a range of -5% to +10%. Daimler Truck Holding AG, another major customer of the division, is expecting declining market volume of heavy trucks in Europe (EU 30) within a range of between 260,000 and 300,000 units in the context of the continued difficult economic conditions and the lack of pent-up demand in 2024, which would mean a decline of 12% to 24%.¹⁵

The Automotive division is forecasting that the truck production decline announced by customers will lead to a reduction of call-off orders in the current financial year of approximately -15%. In 2024, a positive contribution to earnings is planned in the Automotive division in spite of an expected sales decline from the completed diversification of the customer portfolio, the price adjustments agreed in the past year and the cost reduction measures already initiated in the fourth quarter of 2023.

Sales of roughly EUR 400 million (2023: EUR 475 million) are expected in the Automotive division in the 2024 financial year. Factoring in cost reduction measures, EBIT of between EUR 3 million and EUR 4 million is projected in spite of a decline in sales of around 16% in 2024.

In the medium term, the obsolescence of truck fleets in Europe and increased emission standards create the expectation that the division can once again expect when the interest rate level falls that production orders will rise as the supply chain situation returns to normal. This will help the Automotive division return to stable and positive territory on the back of consistent production utilisation. The productivity improvements and cost savings achieved as part of the restructuring and reorientation of the division in recent years will provide additional support when it comes to earnings performance. In addition to continued supply chain normalisation and a more stable economy in Europe, the ambitious medium-term targets are dependent on OEMs achieving their sales forecasts and the compensation of inflation-related cost increases through additional prices on the part of the OEMs.

Forecast for the Communication division

The railway industry is continuing to benefit in particular from global megatrends such as urbanisation, population growth and rising environmental awareness. That is why PSR OE Link is also anticipating average growth of global railway production between 4% and 13% by 2028.¹⁶

The railway in Germany was able to noticeably benefit from the introduction of the 49-euro ticket on 1 May 2023. According to information from the Association of German Transport Companies (VDV), eleven million customers have made use of the new offer since it was introduced.¹⁷ In spite of these positive developments, the German Railway Industry Association sees a problem for the security of investments in rail transport, especially regarding the necessary network refurbishment and rail digitalisation.¹⁸

However, the order books of the German railway industry are still well filled. In the 2023 financial year, incoming orders according to information from the German Railway Industry Association (VDB) were at EUR 21.5 billion or an increase of 57% and are at a historical high. Of these, domestic orders at EUR 13 billion account for around 60% of all incoming orders. In addition to orders from the railway vehicle segment, infrastructure orders of EUR 3.6 billion in the home market were received, which was 29% growth compared to 2022.¹⁹

However, the association has great concern about the future because the urgently necessary record investments into the rail system announced by the German federal government in September 2023 were substantially reduced because of the adjustment of the federal budget due to the judgment of the constitutional court about the debt brake.²⁰ Although around EUR 2.7 billion more will flow into the railway industry in 2024 than in the previous year, the funds that are provided will be far below the investment needs.²¹ According to the VDB, there will be a hole in the budget of more than EUR 17 billion until 2027. Moreover, the remaining funds will be primarily invested in maintaining the rail network, and there will be significant reductions in digitalisation as well as in new construction and expansion.

The cutbacks will primarily affect the local railway industry because in particular the digital equipment for railway lines and vehicles is mainly developed and produced at German locations according to the VDB. Furthermore, in the eyes of the industry association, the reduction of future projects is incompatible with the transport policy objectives of the government. Digitalisation is the basis for a high performance network and cross-border interoperability in the EU as well as the foundation for more network stability and capacity.

The market for digital security, monitoring, communication and network technology in Germany is also growing significantly according to BHE information.²²

¹¹ IMF World Economic Outlook January 2024

¹² Federal Ministry for Economic Affairs and Climate Protection, press release, 21 February 2024

¹³ S&P Global Mobility Research Analysis, 14 December 2023

¹⁴ Traton Group, press release, 5 March 2024

¹⁵ Daimler Truck Holding AG, press release, 1 March 2024

¹⁶ PSR OE Link Q4 2022 Update

¹⁷ Association of German Transport Companies, annual press conference 2024, 30 January 2024

¹⁸ German Railway Industry Association e.V., press release, 15 November 2023

¹⁹ German Railway Industry Association e.V., press release, 20 March 2024

²⁰ German Railway Industry Association e.V., press release, 11 January 2024

²¹ German Railway Industry Association e.V., press release, 19 January 2024

²² German Federal Security Technology Association e.V., press release, 28 June 2023

However, there are differences between the individual segments. In the estimation of the industry association, the market is continuing to develop toward software-driven, networked products and systems, which also opens new market areas. Moreover, integration into building technology forms a strong basis for future growth. In general, the risks from terrorist threats, border disputes and refugee crises will open up great opportunities for the market that will lead to heightened demand for security measures. The BHE sees challenges in areas such as the performance of the construction industry and a shortage of skilled workers.

Nevertheless, in view of the general economic uncertainty, digital security, surveillance, communication and network technology companies are also feeling wary regarding their future business prospects. The results of the autumn economic survey by the German Federal Security Technology Association (BHE) clearly show that even the security industry is facing the overall situation with cautious expectations²³. The estimation of future business prospects is rated with a score of 2.25 and is similar to the score in spring 2023 (2.24).

The outlook for the German electrical and digital industry is restrained, given the currently difficult economic environment with inflation and with the comparatively high interest and energy price level. In 2024, the industry association ZVEI is expecting a dip in growth and is forecasting a 2% decline in real production.²⁴ According to a ZVEI member survey however 60% of the companies want to increase their investment activity in spite of the insecure geopolitical situation. There are opportunities especially because of the megatrends electrification, digitalisation and automation which are still intact.

For 2024, HÖRMANN Industries is expecting ongoing, good business performance in the Communication division and a continued above-average earnings level because of the positive international order trend in the train radio product area that is strengthened by the integration of Radionika Sp. z o.o. with its registered office in Kraków, Poland in which a majority interest was acquired. This expectation of good performance is also bolstered by the large number of orders on hand in the information display unit product area. The

good business and earnings situation will also continue to benefit from consistently stable demand for public warning systems and infrastructure services.

The expected investments in 2024 in public warning systems and disaster protection and the ongoing rise in demand for electrical planning and installation, mechanical assembly and maintenance services allow a sales forecast in line with the 2023 level (approx. EUR 190 million to EUR 200 million). The division expects EBIT of between EUR 21 million and EUR 24 million for the 2024 financial year (2023: EUR 32 million) because of the expected cost increases especially in the Human Resources division as well as increased investments in software-oriented product development.

Forecast for the Intralogistics division

According to its latest forecast, the VDMA Trade Association for Conveyor Technology and Intralogistics is assuming growth of 2% for conveyor technology and intralogistics providers in the 2024 financial year.²⁵ Current incoming orders point to positive but rather subdued performance, and the most recent export data confirms this assumption as well. Consequently, moderate growth in all intralogistic product areas is expected for 2024 according to the VDMA.

The business climate in the German logistics industry has improved slightly. According to the results of the ifo economic survey on behalf of the German Logistics Industry Association (BVL), the industry's index increased marginally in the fourth quarter 2023 to 83.9 index points.²⁶ Nevertheless, business expectations continue to remain unfavourable. Current business prospects were estimated to be worse again in comparison to the previous quarter. In particular, the prevailing business situation for logistics service providers worsened significantly again, and service companies looked into the coming months with concern. Once again, these companies reported falling demand as well as widespread declining orders on hand more than they reported in the previous quarter. Although anticipated demand for the coming months improved noticeably, it remained in decline in some areas.

Because of the high completion rate of orders on hand and the lower than planned incoming orders in the past financial year, the Intralogistics division is expecting a decline in sales of around 30% to

between EUR 85 million and EUR 95 million (2023: EUR 120 million). The forecast is influenced by the tangible slowdown in the orders placed by customers in Central Europe. Many customers are currently postponing planned investments in intralogistics in response to the economic risks and high interest rates. This development is counteracted by targeted cost reduction measures, and because of the planned sales recognition the goal is EBIT of between EUR 2 million and EUR 3 million (2023: EUR 3.2 million).

In the medium term, the plan to make targeted investments in the further expansion of the intralogistics business will be adhered to. In the medium term until 2027, HÖRMANN Industries is still assuming growth with an EBIT target of more than 5% of total output. It remains to be seen how much higher interest rates might affect investment in the Intralogistics division.

Forecast for the Engineering division

After the very challenging year 2023, the Federation of the German Construction Industry (HDB) expects a sales decline of around 3.5% for the 2024 financial year as well.²⁷ Having suffered from increases in prices and the tense market situation in the past year, an improved but still challenging situation is expected in Germany for the construction industry in 2024. Interest rate trends on the capital markets are especially regarded as a continuing challenge. According to Bundesbank calculations, interest rates for new mortgage loans between January 2022 and November 2023 tripled from 1.3% to 4.2%. According to a survey by the German Housing and Property Companies Association (GdW), approximately 22% of new construction plans will not be able to be implemented as a consequence in 2024. However, for commercial construction, a slight price-adjusted growth of 2% is forecast. A slight decline in building construction is offset by more significant growth in commercial underground construction – also because of larger individual orders from Deutsche Bahn and the electricity supplier. Slight growth (+1%) is also expected in public-sector construction.

With the COVID-19 pandemic on the decline around the world, demand for x-ray sensors for medical technology has stabilised at the long-term average level in 2023. As a result of the sanctions against Russia, demand is currently rising for sensors for environmental radioactivity readings and for industrial applications.

Since international sales activities were increased into the globally growing area of railway production, orders on hand for engineering railway vehicles were able to be increased to EUR EUR 36.8 million in the past financial year, which will have a positive effect on the business performance of the Engineering division.

The Engineering division anticipates sales at the level of the period under review (EUR 36 million) and EBIT of between EUR 3 million and EUR 4 million (2023: EUR 4.3 million) in 2024.

Forecast for HÖRMANN Industries

Economic, geopolitical and industry developments as well as the financial conditions on the capital markets will continue to influence HÖRMANN Industries' operating and financial performance in the 2024 financial year. The Group's forecasts for its expected business performance are based on certain assumptions regarding the development of the economy in Germany, the euro area and specific industries, and on an optimistic assessment of how the war in Ukraine, and its economic consequences, will continue to unfold.

Incalculable risks include further geopolitical tension and an escalation of the current conflicts, as well as a prolonged recession, continued high inflation and a high interest rate level that continues longer than expected.

In light of this high uncertainty at the time of reporting, forecasts are currently highly uncertain. The economic and financial impact of further crises could again affect HÖRMANN Industries' sales and earnings performance in 2024.

Any negative economic developments not yet taken into account in planning can result in the actual results for the 2024 financial year deviating from forecasts.

In summary, the biggest challenges for HÖRMANN Industries in 2024 therefore include increased energy and material prices as well as the sustained higher level of procurement and personnel expenses due to ongoing inflation. Private and public clients could also become even less willing to invest in response to the existing uncertainty, consolidation pressure on public budgets and the massive rise in the interest cost on refinancing. HÖRMANN Industries must also be prepared for more restrictive lending practices and higher interest rates, and it is forecasting a rise in interest expenses.

²³ German Federal Security Technology Association e.V., economic survey, 28 November 2023

²⁴ ZVEI press release 4/2024, 29 January 2024

²⁵ VDMA Trade Association for Conveyor Technology and Intralogistics, press release, 13 March 2024

²⁶ German Logistics Industry Association logistics indicator, results of the ifo economic survey in the 4th quarter of 2023

²⁷ Federation of the German Construction Industry e.V., 26 February 2024

There is further uncertainty stemming from the unstable geopolitical situation, which in combination makes it extremely difficult to deliver an assured outlook for the future development of the economy in Germany and the euro area, the specific industries relevant to the HÖRMANN Group and the performance of HÖRMANN Industries itself.

At Group level, based on an analysis of the current order situation and a confident assessment of the business performance in its individual divisions, HÖRMANN Industries GmbH is forecasting incoming orders of between EUR 700 million and EUR 750 million (2023: EUR 823.2 million), total sales of between EUR 700 million and EUR 730 million (2023: EUR 834 million) and total output of between EUR 710 million and EUR 740 million in 2024 (2023: EUR 816.5 million). The main cause for the expected decline in sales between 12% and 15% year-on-year is lower sales volumes in the Automotive division as well as the weaker business performance in the Intralogistics division. With a gross profit of between EUR 325 million and EUR 335 million (2023: EUR 353.3 million), positive earnings before interest and taxes (EBIT) of between EUR 22 million and EUR 24 million (2023: EUR 30.7 million) and an EBIT margin of around 3% of total output (2023: 3.8%) are expected for the operating business in 2024.

In light of the forecast results of operations and assuming that inflation will fall slightly, working capital – comprising inventories and trade receivables less trade payables – is expected to be at the same level at the end of 2024 as at the 2023 balance sheet date 31 December 2023 (EUR 111 million). Taking into account the planned payments for provisions and investments, net cash and cash equivalents are therefore expected to remain at the previous year's level. Given the credit facilities available from banks, the Group therefore expects that its financial situation will remain stable and does not anticipate any liquidity shortages in 2024.

This forecast is subject to the assumption that the overall economic situation will not deteriorate further over the course of 2024 and that supply chains will remain intact.

HÖRMANN Industries notes that its actual results could differ from these forecasts.

RISK REPORT

General business risks

The global economy and the economies of the euro area and Germany, which are key to HÖRMANN Industries, are subject to fluctuations that could impair the Group's business activities and the net assets, financial position and results of operations.

HÖRMANN Industries is highly dependent on the economy in the euro area and Germany. The past financial and economic crisis in 2008/2009 and the onset of the COVID-19 pandemic in 2020 caused substantial downturns in sales and earnings. In particular, the difficult and very volatile development in the commercial vehicle industry in the past four years had a considerable negative impact on the Automotive division, which in turn largely affected HÖRMANN Industries GmbH's business activities. Renewed crisis scenarios such as the COVID-19 pandemic, the debt situation of many industrialised nations, political instability, the current war in Ukraine, an escalation of the Taiwan, an expansion of the Palestinian conflict or a renewed crisis in the financial system could have a significant impact on the business activities of HÖRMANN Industries.

The euro area economy and the business development of HÖRMANN Industries remain subject to considerable uncertainty throughout the financial year 2024, largely due to the ramifications of the Russia-Ukraine war and the current conflict in the Middle East. The sanctions imposed by the EU and the US remain in force. The conflict in Ukraine could escalate and, in the worst case, spread to other countries. This would represent a significant risk to the market environment in which HÖRMANN Industries operates. Accordingly, the risks in connection with legal and political conditions remain high and continue to be classified with a medium probability of occurrence.

Inflation in the core European market has declined in recent months, but it persisted recently significantly above the target value of the European Central Bank (ECB). The further course of the economy in the 2024 financial year also depends on the further countermeasures taken by the European Central Bank (ECB) in the form of interest rate cuts. A failure to intervene on the part of the central banks could lead to considerable disruption on the financial and sales markets, as could excessive intervention.

HÖRMANN Industries' business development is fundamentally dependent on its success in maintaining or expanding its market position and – where applicable – technology leadership, which in the view of the management exists, and responding quickly to the emergence of new competitors or the intensification of the competitive situation. To prevent the loss of market share, HÖRMANN Industries offers a high level of product and service quality, maintains close, trust-based contact with its customers and pursues systematic innovation, price and cost management. Furthermore, the Group also regularly observes market developments and the business policy of other market participants and adjusts its activities to reflect changes in requirements in regular strategy reviews. These countermeasures also create opportunities for HÖRMANN Industries to gain market share and continue to grow.

HÖRMANN Industries' future results are also dependent on the extent to which it is able to anticipate or respond to technological changes by improving its products and adapting them to reflect new requirements or by developing new products. If HÖRMANN Industries fails to respond adequately to technological changes, this could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

HÖRMANN Industries' business activities face a large number of existing competitors as well as new competitors entering the market segment and seeking to expand their business at HÖRMANN Industries' expense. Sustained or intensified price pressure and a deterioration or loss of competitiveness could have an adverse effect on HÖRMANN Industries' net assets, financial position and results of operations.

HÖRMANN Industries generates the majority of its sales with multiple individual customers, primarily major automotive and commercial vehicle manufacturers and Deutsche Bahn AG and its suppliers. HÖRMANN Industries generated more than 20% of its sales with Volkswagen AG and its subsidiaries in the 2023 financial year. If it is not possible to retain these key customers or to offset a significant downturn in sales with them by gaining new customers or expanding business with other customers, this could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

Some of HÖRMANN Industries' business activities are dependent on political decisions that dictate the provision of funding for public investment in railway systems, personal security, property protection systems, motorways and other infrastructure projects. In light of the sharp increase in public debt and the consolidation pressure on public budgets in many European nations at present, delayed or cancelled investment projects and public funds may have an adverse effect on public-sector contract awards, and hence on business development in the affected areas.

General operational risks

HÖRMANN Industries is exposed to general operational risks. This also includes risks in connection with business expansion as well as risks from commercial disruptions and other business interruptions such as strikes or other industrial action or restrictions due to government orders. These could result in disadvantages for the earnings and financial position of HÖRMANN Industries.

Presentation of individual risks

As in the previous year, the following section describes the material risks that could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

Risks in connection with viral pandemics

Over the past four years, HÖRMANN Industries' landscape has been negatively impacted by the COVID-19 pandemic, which represented a considerable blow to the global economy as a whole. These novel, completely incalculable situations such as the global virus pandemic represent a risk that has a strong impact on all areas of HÖRMANN Industries and therefore cannot be hedged against.

Even after the COVID-19 pandemic has been contained, in a globalised economy, a further significant impact on HÖRMANN Industries' business activities by new pandemics cannot be ruled out in the medium term.

Existing contingency plans will help to maintain core functions should the situation change significantly again. The Group is in constant communication with its customers and suppliers in order to best deal with constantly changing situations. Management and all executives are focused on the identification of possible disruptions in the value chain at all times in order to respond quickly to new circumstances with suitable measures.

As a result of the broad globalisation of the world economy, the ever-stronger growth in worldwide tourism and global warming, the occurrence of completely new virus pandemics, the effects of which are even more serious, can no longer be ruled out.

Dependence on industry-specific permits and certifications

Among other things, HÖRMANN Industries' business success is dependent on its ability to obtain permits and certifications for specific industries and its compliance with the prevailing standards and technical guidelines that govern the launch of new products and technologies. If HÖRMANN Industries is unable to develop products and processes that meet these requirements or to obtain the necessary permits in the respective country, this could be detrimental to its business activities.

Dependence on international markets

To date, HÖRMANN Industries has focused on Germany and the rest of Europe. However, the Group's main customers are reliant on the sales markets in European and non-European countries. In the Communication and Intralogistics divisions in particular, business activities in non-European countries are already being increasingly internationalised. This also involves risks for HÖRMANN Industries. In particular, this includes imponderables due to the prevailing economic and tax conditions in different countries, exchange rate risks and the need to comply with the respective local technical standards, country-specific legal systems and political instability.

Geopolitical risks

The ongoing conflict in Ukraine and the hostile Middle Eastern conflict that has flared up again have substantially exacerbated the overall geopolitical risk situation. The consequences and the sanctions imposed had an ad hoc impact on the German economy. The effects on the global economy can be clearly seen for this financial year as well. According to prevailing opinion, hostilities are not expected to end in the near future. In particular, the associated rise in energy and transport prices and the effects of high inflation are expected to cause further growth setbacks. The ongoing war could also have a negative effect on the development of sales figures, production processes and procurement and logistics, e.g. due to the fresh disruption of supply chains or the energy supply, or the shortage of raw materials, parts and components, either as a direct consequence of the war or as a result of the extensive sanctions

imposed on Russia by various members of the international community. Potential supply chain disruption and shortages of raw materials, parts or components could lead to a further steep rise in energy and commodity prices as well as the prices of parts and components, which could in turn lead to higher costs. These supply difficulties and price rises could make the economic recovery even weaker while further increasing inflationary pressure across the entire world economy. More broadly, the results of inflation could also have a negative impact on the Group's cost base. The major uncertainty concerning the future of the war in Ukraine and the sanctions imposed, the current Middle Eastern conflict and an entrenchment of the geopolitical tension in relation to China could adversely affect consumer sentiment and the investment climate, and thus negatively impact the world economy. An escalation of the Taiwan conflict would massively alter the availability of semiconductors all over the world and could tip the global economy into a deep recession. This would have negative consequences for the Group's net assets, financial position and results of operations. HÖRMANN Industries continuously observes political developments and the resulting economic impacts in order to allow it to take countermeasures as quickly as possible.

Currency risks

HÖRMANN Industries generates the vast majority of its sales in euro. Where invoices are issued in other currencies, exchange rate hedging is performed to the extent that this is possible and appropriate. By contrast, purchases of parts, components and raw materials are also made in foreign currency to a significant degree. As such, there is a not inconsiderable exchange rate risk that could have adverse effects on the net assets, financial position and results of operations of HÖRMANN Industries.

Dependence on commodity and energy prices

A rise in prices for commodities and energy could lead to higher production costs, in particular in the Automotive, Communication and Intralogistics divisions, and thus to lower results at HÖRMANN Industries. The shortages on the commodity markets that began in late 2020 caused substantial price increases in some cases, especially for steel products and electronics components. It is not currently possible to assess the extent to which the situation on the procurement market will ease sustainably in the short to medium term. The conflict in Ukraine can entail the risk of a further exacerbation of supply shortages accompanied by economic stagnation at any time.

HÖRMANN is monitoring the market at all times and responds to changes with the utmost agility possible. HÖRMANN Industries seeks to counteract these influences by adjusting its sales prices in line with changing materials prices and by agreements on escalation clauses for materials and energy prices. However, if this is not successful due to the highly competitive situation, this could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

IT risks

The HÖRMANN Industries companies can be controlled only with the help of complex IT systems. Their ability to deliver at all times also is dependent on the constant availability of the corresponding systems and data. Serious disruptions such as system outages, external network attacks and data loss or manipulation could jeopardise their ability to deliver and give rise to claims for damages on the part of customers and high internal downtime costs. Accordingly, the company is constantly working to optimise its IT environment and IT security, including with the support of external experts. The expenditure and resources for IT security management have been increased significantly. As requested by customers, some subsidiaries are currently undergoing certification according to ISO 27001 or TISAX IT security standards.

Project organisation and management risks

HÖRMANN Industries is particularly active in the divisions Communication, Engineering and Intralogistics in the project business. When orders are awarded, there is a possibility that the contractual partners will expect different conditions, thereby jeopardising the realisation of the respective project or the planned profit margin. As consideration is based on the completion of defined performance phases, cancellation can mean that preliminary work done and costs and expenses incurred are not settled in full. In addition, the risk assessment of the specific project could be erroneous or incomplete, meaning that the agreed remuneration is not proportionate to the expenses incurred. By continuously improving project management and controlling, the subsidiaries seek to counteract the potential impact on the results of operations early on.

Risk in connection with outstanding project receivables and guarantees in Algeria

Funkwerk Security Solutions GmbH (FSS, formerly: Funkwerk video systeme GmbH (FVS)) and Funkwerk plettac systems GmbH (fps) have an investment in a consortium under Algerian law (Groupement Funkwerk Contel plettac). As a result of domestic political developments in Algeria, an investigation into alleged suspicions of corruption and illegal overcharging against several companies and individuals was initiated in 2010. The affected parties included this consortium, the Algerian partner and FSS/fps, but not its managing directors or other employees of the Funkwerk Group. The proceedings are still ongoing. Shortly after the initiation of the investigation in 2010, bank accounts of the consortium were temporarily blocked, among other things. These accounts contain amounts of EUR 2.9 million paid for properly performed work, converted as at the balance sheet date, that cannot currently be transferred to Germany and that are internally due solely to FSS/fps. An internal investigation by Funkwerk AG found no evidence to suggest that the corruption allegations are accurate.

An oral ruling was issued at the Algerian criminal court in Algiers in February 2016, but the consortium and FSS/fps had not received a written ruling in the form required by law as at the preparation of the financial statements. The oral ruling includes the conviction of FSS/fps and other companies for corruption and overcharging in Algeria and a fine of around EUR 40,000. An appeal was lodged against the ruling ahead of the deadline, meaning the bank accounts that were released under the oral ruling are still unavailable.

In connection with the projects realised, Funkwerk AG provided bank guarantees issued by Algerian banks on the basis of corresponding counter-guarantee agreements with some German banks. All the bank guarantees from German banks were derecognised as at the balance sheet date. The principal has yet to return original guarantees of around EUR 8.4 million of the derecognised bank guarantees. Under the terms of the contracts with the principal, it should no longer be possible to assert claims against FSS/fps due to the latter having met the underlying delivery and performance obligations, the expiry of the contractual warranties and the expiry of the bank guarantees, which is why the guarantees have also already been derecognised by the German banks.

However, there is a residual risk with regard to the original bank guarantees that have not yet been returned, as the German banks issued the Algerian banks with “true” counter-guarantees. The state of proceedings has not changed significantly as against 2022 in the current financial year.

Staff recruitment and selection risks

HÖRMANN Industries is dependent on qualified staff, particularly for generating further growth. If it is no longer possible to attract and retain qualified staff within HÖRMANN Industries to a sufficient extent and at salaries that are in line with market conditions in the long term, this could diminish the ability of HÖRMANN Industries and its affiliated companies to successfully implement and adapt the strategies and growth plans of the divisions. A shortage of qualified staff could become a critical growth-inhibiting factor in future. HÖRMANN Industries is responding to this demographic challenge with its considerably more intensive activities in HR marketing and HR development.

Risks from rising personnel costs

The past decade has been characterised by moderate growth in wages and salaries and non-wage labour costs. The sharp rise in inflation since 2021 has led to a wage-price spiral with high personnel cost increases above the long-term average level previously assumed in the planning of HÖRMANN Industries. Demographic development, the shortage of skilled workers and the workforce expansion required by the HÖRMANN Group in order to grow are placing additional pressure on staff costs. This would have adverse consequences for the Group’s net assets, financial position and results of operations.

Procurement, logistics and production risks

HÖRMANN Industries’ production is dependent on supplying parts, products and services in perfect condition. Fluctuation in demand could lead to long response times on the part of suppliers. In addition, HÖRMANN Industries’ requirement and capacity planning could be inadequate. Unexpected border controls, border closures and the consequences of any embargos as a result of new geopolitical tension could lead to substantial supply shortages at short notice.

Missing or defective finished parts or low-quality raw materials could lead to production delays or stoppages. The steel market experienced a substantial surplus in demand in 2020 and 2021, which made it considerably more difficult to purchase raw materials on time for the Automotive division and was a significant potential risk for HÖRMANN Industries. In 2021 and 2022, this was exacerbated by massive supply shortages for electronic components and microchips. In addition to representing a considerable potential risk for the Communication and Intralogistics divisions, this also affected the Automotive division in the form of production stoppages on the part of vehicle manufacturers.

The volatile price developments for materials, energy, purchased services and capital goods since 2022 exacerbated the risk situation within the Group as these rises cannot be fully passed on to customers. Longer delivery times and supply shortages for materials were another risk. To ensure compliance with the deadlines set out in long-term contracts with customers, binding orders had to be placed for the type and quantity of the respective materials in some cases, which greatly increased inventory levels. Switching to alternative materials is not generally possible at short notice, as conversion often requires costly new authorisation or certifications to be obtained.

HÖRMANN Industries primarily operates production sites in Germany, Austria and Slovakia. In a worst-case scenario, the wide-scale destruction of one or more sites, e.g. as a result of flood, fire, explosion, sabotage or other accidents, could cause production to come to a permanent halt.

Key suppliers and other business partners could find themselves in economic difficulties, thereby negatively impacting HÖRMANN Industries’ business performance. To prevent this, HÖRMANN Industries regularly reviews its business partners’ performance and selects suppliers carefully. In addition, long-term supply contracts are entered into wherever possible in order to offset fluctuations and prevent shortages.

Logistics risks

HÖRMANN Industries does not have its own logistics infrastructure. It therefore uses external logistics companies for transportation between its production sites and warehouses as well as for supplying its production sites and its customers. As such, HÖRMANN Industries is dependent on the smooth operation of the logistics services provided by these third parties.

Warranty risks

Products and systems could be faulty, thereby exposing HÖRMANN Industries to warranty claims or claims for damages. Furthermore, there are liability risks arising from supply agreements (liability clauses in contracts with customers), contractual risks due to liability for delays in the start of production, and production processing risks, particularly in the Automotive division. Similar liability risks also exist for services and deliveries in the project business of the Communication, Engineering as well as Intralogistics divisions. If the Group companies are unable to ensure on-time delivery or services in line with customer requirements and HÖRMANN Industries jeopardises production at the customer or the completion of subgroups as a result, this could lead to increased costs and recourse claims against HÖRMANN Industries or the loss of orders, which would have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

Risks in connection with receivables

If customers and other business partners default on receivables, either in full or in part, or there are significant and wide-scale delays in payment, this could lead to liquidity bottlenecks and hence restrict HÖRMANN Industries’ business activities or considerably impact its net assets, financial position or results of operations. HÖRMANN Industries counteracts these risks by requiring advance payments and invoicing on a percentage-of-completion basis in its product business and by taking out commercial credit insurance as far as possible.

Risks in connection with the repayment of subsidies, tax audits and social security contributions

HÖRMANN Industries has been and continues to be granted or promised public government investment subsidies for individual development projects and

business measures. The use of such funds is typically earmarked for a specific purpose and tied to corresponding requirements and conditions. If HÖRMANN Industries is unable to ensure and demonstrate that these requirements and conditions have been met, it could have to repay the respective investment subsidies.

HÖRMANN Industries is of the opinion that the tax returns prepared by its companies have been submitted correctly and in full. However, differing views of the respective matters could give rise to demands for the back payment of taxes. Changes in tax law or the interpretation of existing tax law could have a negative influence on the business activities of HÖRMANN Industries and its commercial and tax law structures. HÖRMANN Industries companies could be required to make back payments of taxes for the periods for which tax audits have not yet been conducted. The same applies for any demands to make additional social security contributions.

Risks in connection with inadequate insurance

Despite extensive insurance cover, HÖRMANN Industries cannot guarantee that either it or its subsidiaries will be compensated in full for any losses incurred.

If losses occur that are not covered by the insurance concluded either in part or in full, particularly in the area of product liability or as a result of interruptions to production as well as other material damage, this could have a negative effect on the net assets, financial position and results of operations of HÖRMANN Industries.

Risks in connection with compliance violations

Potential compliance violations could lead to future regulatory investigations, back payments of taxes, claims for damages and the termination of supplier relationships by customers.

HÖRMANN Industries comprises a number of companies that bid for large-scale orders in the automotive, rail, service and construction sectors. This involves the risk that the applicable statutory provisions will be violated in order to gain an advantage over the competition when competing for and initiating orders.

To counter these risks, HÖRMANN Industries has implemented a comprehensive compliance system.

Risks in connection with financial obligations

HÖRMANN Industries has considerable pension, lease and rental obligations that could impair its liquidity situation moving ahead.

These obligations must be settled with the cash flow from operating activities. The rental and lease obligations for buildings, technical machinery and equipment, facilities, office space and vehicles are significant and constitute substantial fixed costs. These costs cannot be adjusted in response to a sharp downturn in sales and earnings. This could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

Litigation risks

HÖRMANN Industries companies are parties to various judicial and extrajudicial disputes. The outcome of these proceedings is unclear and each case involves the risk that the plaintiff/claimant could prevail, either in part or in full. Where this is considered to be necessary, adequate provisions have been recognised in line with the current assessment of the situation.

However, the possibility that these provisions will be insufficient cannot be ruled out. This could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

Risks in connection with acquisitions and joint ventures

Risks could arise in connection with acquisitions or joint ventures if the future expectations in terms of income potential, profitability and growth opportunities fail to materialise or if hidden defects or inherited liabilities occur, e.g. due to prior deliveries or product liability. The resulting need for impairment on recognised goodwill could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries.

Risks in connection with violations of environmental law

HÖRMANN Industries could violate existing provisions of environmental law or its production activities could unintentionally pollute the environment. This could have an adverse effect on the net assets, financial position and results of operations of HÖRMANN Industries. Corresponding management systems at the subsidiaries help to prevent these risks.

Risks in connection with sustainability and environmental protection requirements

New statutory regulations are introducing new requirements for companies when it comes to sustainable corporate governance, climate protection and environmental protection in particular. Major companies are already requiring their suppliers to comply with these additional requirements, e.g. in the form of sustainability ratings and declarations on carbon neutrality, and they are often included as a condition for the award of contracts.

HÖRMANN Industries supports the various initiatives and is committed to sustainable business and climate and environmental protection. Work began on the implementation of a sustainability management system in accordance with the principles of the UN Global Compact in 2021. A sustainability report based on the GRI standards has been published since the 2021 financial year.

As for all other companies in Germany and Europe, a continuous reduction in carbon emissions up to and including complete carbon neutrality poses considerable challenges for HÖRMANN Industries, and requires significant additional investment every year, for instance in the generation of renewable energies, in carbon-optimised production processes, in the energy-efficiency improvement of buildings and in eco-friendly transportation. These investments are not yet included in planning and could have an impact on the net assets, financial position and results of operations of HÖRMANN Industries. If the sustainability requirements imposed on suppliers by major companies are not complied with, this could lead to individual subsidiaries of HÖRMANN Industries losing customers and orders in future with a corresponding adverse impact on the results of operations.

Risks in connection with violations of industrial property rights

Competitors could copy HÖRMANN Industries GmbH's products and techniques or could unknowingly infringe upon HÖRMANN Industries GmbH's patents. Furthermore, the possibility of HÖRMANN Industries GmbH unknowingly infringing upon its competitors' patents due to a different understanding of the content of the intellectual property protected by the patent in particular cannot be ruled out. This could have a negative effect on the net assets, financial position and results of operations of HÖRMANN Industries GmbH.

Risks from a lack of credit

HÖRMANN Industries GmbH and a syndicate of banks have entered into a global syndicated loan agreement with a volume of EUR 40 million maturing in December 2025, consisting of a current account credit line of EUR 15 million and a revolving EURIBOR credit line of EUR 25 million. The financial crisis in 2008/2009 has shown that there could be a temporary shortage of credit in the economy. At present, it cannot be ruled out that there will be a renewed financial crisis with a temporary shortage of credit in the economy in the wake of the current crisis events and the monetary policy countermeasures. If the contractually agreed credit lines are not made available in a timely manner in accordance with the requirements of HÖRMANN Industries, this could have a significant impact on the business activities and the liquidity situation of HÖRMANN Industries. To reduce this risk, HÖRMANN Industries GmbH received a note receivable in January 2024 of EUR 17.5 million with a term of three years (EUR 7.5 million) and six years (EUR 10 million).

Risks in connection with the bond issue

HÖRMANN Industries GmbH has issued a bond with a term from 2023 to mid-2028, a volume of EUR 50 million and a coupon of 7.0%. Interest is payable each June. There is a risk that the funds generated from the bond will not be employed profitably enough to cover the coupon payments. This would have a negative impact on the Group's net assets, financial position and results of operations. Furthermore, there is a risk that misinvestments could lead to an inability to

make coupon payments or redeem the bond to the necessary extent or on schedule or at all. This would have negative consequences for the Group's position. There is also the risk that negative developments at the company or on the financial markets could prevent the bond from being fully rolled over when it matures, or this might only be possible with a high margin, which could have a negative effect on the Group's net assets, financial position and results of operations, up to and including going concern risks.

Interest rate risks

HÖRMANN Industries GmbH and a syndicate of banks have entered into a global syndicated loan agreement with a volume of EUR 40 million maturing in December 2025. The loan agreement sets out a variable interest rate based on EURIBOR. The steep rise in EURIBOR has caused an increase in the interest cost of future financing, which is having an adverse effect on the Group's results of operations. The significant and rapid rise in global interest rates will adversely affect all future financing, leasing and surety transactions.

STRATEGIC OUTLOOK AND REPORT ON OPPORTUNITIES

Despite the various operational challenges in the 2024 financial year, the defined strategy for 2025 is being maintained for all of the divisions.

In the largest division, **Automotive**, HÖRMANN Industries is continuing to pursue its strategy of being a key supplier of metal chassis products, high-end body-in-white components (body parts) and turnkey modules for the European commercial vehicle industry and agricultural/construction machinery industries. It intends to press ahead with increasing the competitiveness and customer diversification of the division. The ongoing implementation of long-term income management is still a key area of HÖRMANN Automotive's strategy planning.

Based on current developments, the expectations of vehicle manufacturers and forecasts of the VDA industry association, HÖRMANN Industries expects the European market to see higher sales of commercial vehicles in the medium term, with the market therefore recovering compared with previous years. The main drivers for this forecast are the successive obsolescence of existing vehicle fleets, increasingly stringent requirements in terms of exhaust quality, a further rise in the transport volumes as the economic recovery continues and continued growth of the world's population with an intense need for agricultural machinery for food security.

If this positive market development prevails, accompanied by the continued normalisation of the supply chain problems being experienced by customers, higher call-off orders can be expected in the coming years, which could have a correspondingly positive impact on sales planning. HÖRMANN Industries expects the outsourcing of in-house production activities by European commercial vehicle manufacturers to result in additional orders. The continued growth in vehicle derivatives and the development of new vehicle concepts for electric mobility could open up additional market potential.

The specific expertise in the Automotive division in the area of metal forming and joining technologies, a broad portfolio of systems and machinery with sufficient capacity, the strategy of expanding automation at domestic plants while outsourcing labour-intensive production to cheaper foreign plants provide healthy foundations for attracting additional customers and orders. A gradual return was initiated in 2023 to sustained earnings power at a level that is typical for the industry, and it is to be consistently pursued.

The **Communication** division intends to grow sustainably while maintaining its good income level by further strengthening its competitive position and strategically expanding its business activities. The division has a high-tech product range with a number of unique selling points. Among other things, opportunities for the division result from the progressive digitalisation of railway transport, the growing need for security technology and video surveillance as well as the conversion of communication networks to 5G technology. Varied growth potential is also offered by government investment in the expansion of public infrastructure, disaster protection, the ongoing rise in the need for security around the world, the sustained trend towards urbanisation and the further dynamic expansion of rail transport in the wake of the climate debate. There will also be expansion opportunities thanks to new service concepts in the field of public infrastructure or the further expansion of digital communication at train stations. The long product lifecycles for railway vehicles in the rail industry also entail opportunities. The division also intends to sustainably enhance its export business by entering into new partnerships – like the recent acquisition of a majority interest in the Polish company Radionika Sp. z o.o. – and further internationalising its sales activities.

The Group sees the **Intralogistics** division as a key growth area for the future. The dynamic development of the market in intralogistics, automation engineering, robotics applications, innovative conveyor technology, the continued high demand in mail order selling for comprehensive e-commerce solutions and the

trend towards new supermarket concepts are all signs of this growth potential. To leverage this growth potential, the Group is planning to further strengthen the division's product and customer diversification by extending its range of services, pressing ahead with internationalisation and expanding its development capacity. The growth strategy is also supported by bundling the service units with expertise in the areas of automation and mechanical engineering.

With its broad portfolio of service expertise along the entire engineering value chain, from vehicle development to factory and building planning, **Engineering** is a division with a promising future and high growth potential. Knowledge management and the industrial application of engineering know-how have a long and successful tradition in Germany and will remain one of the key drivers of global technological progress and dynamic industrial development. Although the division is already very well positioned for the challenges of today and tomorrow, it also intends to systematically expand this position with a view to the existing growth potential in emerging markets and the wide range of new technological requirements in order to take advantage of the resulting opportunities.

The close networking of design expertise, manufacturing technology knowledge and production experience can open up a wide range of new options. In particular, the current dynamic development of electric mobility and new hydrogen-based drive systems offers extensive additional potential for developing new areas of activity for rail and road vehicles alike.

All divisions of HÖRMANN Industries will have wide-ranging opportunities for business expansion if the company is successful at marketing itself as an attractive medium-sized employer and is able to recruit new employees to a sufficient extent.

OVERALL ASSESSMENT OF THE FUTURE DEVELOPMENT OF HÖRMANN INDUSTRIES

Geopolitical, economic and industry developments under the current conditions continued to influence HÖRMANN Industries' operating and financial performance in the current 2024 financial year. The Group's forecasts for its expected business performance in 2024 are based on certain assumptions regarding the development of the economy in Germany, the euro area and specific industries.

Given the major uncertainty that remained in place at the time of reporting regarding economic developments, the aftermath of high inflation in the euro area, the war in Ukraine and the Middle East, and the possible associated economic and financial repercussions, HÖRMANN Industries assumes that high material, personnel, energy and financing costs will continue to affect HÖRMANN Industries' sales and earnings performance in 2024.

Taking into account and assessing the current business and order situation, management currently expects HÖRMANN Industries to generate sales of between EUR 700 million and EUR 730 million in the 2024 financial year (2023: EUR 830,9 million). For operating activities, positive EBIT between EUR 22 million and EUR 24 million is expected (2023: EUR 30.7 million) is planned. Working capital is expected to remain in line with the reporting year's level.

The net assets, financial position and results of operations are expected to remain at a stable level. On the whole, management considers the Group's position to be highly stable as at the time of this report.

Management is confident that HÖRMANN Industries will also successfully overcome the challenges known to date in the 2024 financial year on the basis of the stable net assets, financial position and results of operations, taking into account the actions already initiated to reduce costs and given the broad diversification of its business activities.

Opportunities for the further development of HÖRMANN Industries will continue to be systematically identified, taken and utilised in all subsidiaries as part of the regular strategy process. In addition to observing internal and external data and the development of competitors, this is achieved using regular reports, strategic product and project management and the establishment of a systematic strategy process.

Over the coming years, HÖRMANN Industries will continue to pursue the goal of profitable growth while focusing on the Group's strengths. With the continued and targeted strengthening of the Communication and Intralogistics divisions, HÖRMANN Industries is pursuing a strategy of positioning itself as a broadly diversified group built on four profitable pillars with strong future prospects and a high degree of resilience to economic fluctuations. This strategy again withstood the test in the crisis years of 2020 to 2022, allowing the Group to generate consistently positive consolidated earnings despite the slump in the Automotive division and the challenges in the Intralogistics division thanks to the very good performance in the Communication and Engineering divisions.

In the medium term, intensive work will continue on generating a sustained EBIT margin of around 5% per year. The Group intends to achieve this goal not only through organic growth, but through supplementary acquisitions as well.

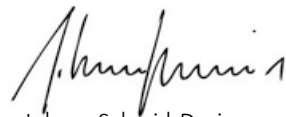
Overall, HÖRMANN Industries believes that its closely maintained relationship with its customers, which it is actively intensifying, is a key factor in the Group's success. In addition to its extensive existing customer base, it intends to press ahead with new business while also placing system solutions and services on the market. Another important factor for future success will be the continued intensification of interdisciplinary cooperation between the various specialist units and companies within HÖRMANN Industries, particularly across division boundaries. This can open up new services that will benefit long-standing customers.

The Group's strengths and opportunities also include the successful retention of specialists and the long service of its employees, which allow it to make the available expertise and specialist experience available across the various divisions so as to benefit customers. Accordingly, attractive incentive systems, interesting training and development opportunities, a new programme to promote young talent and modern working concepts are used as means of further strengthening the perception of HÖRMANN Industries as an attractive employer.

Kirchseeon, April 2024
HÖRMANN Industries GmbH
The Management



Dr.-Ing. Michael Radke



Johann Schmid-Davis



Dr.-Ing. Christian Baur



» We find ourselves in a period of stagnation, and accordingly the HÖRMANN Group is facing big challenges. Nevertheless, we are looking into the future with confidence since our diversification strategy still offers good stability for the entire HÖRMANN Group and enables a solid foundation for further investments. «

JOHANN SCHMID-DAVIS, CFO

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Consolidated Balance Sheet

ASSETS (EUR thousand)	31 Dec. 2023	31 Dec. 2022
A. FIXED ASSETS	86,419	77,557
I. Intangible assets	14,832	10,913
1. Purchased concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	2,851	2,492
2. Goodwill	11,827	8,120
3. Advance payments made on intangible assets	153	301
II. Tangible assets	52,093	44,847
1. Land, leasehold rights and buildings	14,489	9,228
2. Technical equipment and machinery	18,285	19,124
3. Other equipment, factory and office equipment	10,281	10,401
4. Advance payments and assets under construction	9,038	6,094
III. Non-current financial assets	19,495	21,798
1. Equity investments	357	304
2. Securities held as fixed assets	341	398
3. Other loans	18,797	21,096
B. CURRENT ASSETS	270,770	269,278
I. Inventories	82,082	87,715
1. Raw materials, consumables and supplies	35,375	34,272
2. Work in progress	117,187	137,969
3. Finished goods and merchandise	16,077	15,574
4. Advance payments	3,093	3,781
5. Payments received on account of orders	-89,650	-103,881
II. Receivables and other assets	123,794	108,472
1. Trade receivables	82,961	77,685
2. Receivables from affiliated companies	17,265	15,018
3. Other assets thereof to shareholders EUR 0 thousand (previous year: EUR 500 thousand)	23,568	15,769
III. Cash-in-hand and bank balances	64,894	73,091
C. DEFERRED INCOME	2,284	2,783
D. DEFERRED TAX ASSETS	17,049	15,043
E. EXCESS OF PLAN ASSETS OVER PENSION LIABILITIES	185	163
Total assets	376,707	364,824

Consolidated Balance Sheet

EQUITY AND LIABILITIES (EUR thousand)	31 Dec. 2023	31 Dec. 2022
A. EQUITY	136,646	136,379
I. Subscribed capital	200	200
II. Capital reserve	37,022	42,758
III. Currency translation differences	93	-13
IV. Consolidated balance sheet profit	75,494	72,691
V. Non-controlling interests	23,837	20,743
B. PROVISIONS	99,478	98,569
1. Pension provisions and similar obligations	19,237	20,346
2. Tax provisions	5,849	6,008
3. Other provisions	74,392	72,215
C. LIABILITIES	139,850	129,009
1. Bonds	50,000	50,000
2. Liabilities to banks	5,723	7,806
3. Trade payables	54,234	52,704
4. Liabilities to affiliated companies thereof to shareholders EUR 2,830 thousand (previous year: EUR 3,157 thousand)	4,055	4,129
5. Other liabilities thereof from taxes EUR 13,532 thousand (previous year: EUR 7,343 thousand) thereof social security EUR 3,156 thousand (previous year: EUR 1,905 thousand) thereof to shareholders EUR 325 thousand (previous year: EUR 308 thousand)	25,838	14,370
D. DEFERRED INCOME	733	867
Total equity and liabilities	376,707	364,824

Consolidated Income Statement

(EUR thousand)	1 Jan. – 31 Dec. 2023		1 Jan. – 31 Dec. 2022	
	T€	T€	T€	T€
1. Total sales		830,937		685,743
2. Decrease (previous year: increase) in finished goods and work in progress		-16,745		22,082
3. Other own work capitalised		2,353		1,149
4. Other operating income, thereof from currency translation EUR 285 thousand (previous year: EUR 191 thousand)		16,985		16,120
5. Cost of materials				
a) Expenses for raw materials, consumables and supplies and purchased goods	385,863		334,616	
b) Cost of purchased services	94,414	480,277	85,247	419,863
		353,253		305,231
6. Personnel expenses				
a) Wages and salaries	163,268		148,848	
b) Social contributions and expenses for pensions and social welfare, thereof in respect of old age pensions: EUR 458 thousand (previous year: EUR 590 thousand)	37,163	200,431	30,881	179,729
7. Depreciation and amortisation				
a) on tangible and intangible assets	12,521		11,577	
b) on current assets to the extent that they exceed the expenses usual for the corporation	1,271	13,792	0	11,577
8. Other operating expenses, thereof from currency translation EUR 327 thousand (previous year: EUR 439 thousand)		106,898		89,098
9. Income from investments and associated companies		16		13
10. Expenses from the disposal of shares in subsidiaries		7,390		0
11. Income from other securities and loans from financial assets		58		4
12. Other interest and similar income thereof from discounting of provisions EUR 43 thousand (previous year: EUR 5 thousand) thereof from affiliated companies EUR 1,101 thousand (previous year: EUR 358 thousand)		2,330		865
13. Interest and similar expenses thereof from compounding of provisions EUR 68 thousand (previous year: EUR 270 thousand) thereof from affiliated companies EUR 306 thousand (previous year: EUR 128 thousand)		7,017		4,227
14. Taxes on income		9,240		8,083
15. Earnings after taxes		10,888		13,399
16. Other taxes		1,416		1,159
17. Consolidated net profit		9,471		12,240
18. Non-controlling interests		-5,283		-5,185
19. Consolidated net income		4,188		7,055
20. Profit carried forward from the previous year		71,306		65,636
21. Consolidated balance sheet profit		75,494		72,691

Consolidated Cash Flow Statement

(EUR thousand)	1 Jan. – 31 Dec. 2023	1 Jan. – 31 Dec. 2022
+ Consolidated income (Consolidated net loss/income including minority interests)	9,471	12,240
+/- (+) Depreciation/(-) write-ups on fixed assets	12,521	11,577
+/- (+) Increase/(-) Decrease in provisions	9,895	9,368
+/- Other non-cash expenses/income	-4,407	-6,982
+/- (+) Decrease/(-) Increase in inventories, trade receivables and other assets that are not attributable to investing or financing activities	-13,261	-51,395
+/- (-) Decrease/(+) Increase in liabilities from trade payables and other liabilities that are not attributable to investing or financing activities	19,871	14,730
+/- (-) Gain/(+) Loss from disposal of fixed assets	275	-375
+/- Interest expenses/income	4,688	3,362
- Other income from investments	-16	-13
+/- Income tax expenses/income	9,241	8,083
- Income tax payments	-16,389	-7,838
= Cash flow from operating activities	31,889	-7,243
+ Proceeds from the disposal of intangible assets	19	266
- Payments for investments in intangible assets	-2,094	-1,248
+ Proceeds from the disposal of tangible assets	603	5,034
- Payments for investments in tangible assets	-17,880	-10,395
+ Proceeds from the disposal of non-current financial assets	2,566	3,123
- Payments for investments in financial assets	-263	-13
- Payments for additions to (disposals from) the scope of consolidation	-8,814	0
+ Interests received	1,045	282
+ Dividends received	16	13
= Cash flow from investing activities	-24,802	-2,938
- Payments from equity reductions to shareholders of the parent company	-5,736	0
- Payments from equity reductions to other shareholders	-289	0
+ Proceeds from (financial) loans	416	931
- Payments for redemption of (financial) loans	-2,500	-2,500
+ Proceeds from the bond issue	34,805	0
- Payments for the bond redemption	-34,805	0
- Interests paid	-3,325	-3,618
- Payments to shareholders of the parent company	-2,200	-2,500
- Dividends paid to other shareholders	-2,860	-2,744
= Cash flow from financing activities	-16,494	-10,431
Decrease in cash flow	-9,407	-20,612
Cash and cash equivalents at the start of the period	73,091	93,703
+/- Exchange rate and valuation-related changes in cash and cash equivalents	96	0
+/- Change in cash and cash equivalents due to changes in consolidated group	1,114	0
Cash and cash equivalents at the end of the period	64,894	73,091

Consolidated Statement of Changes in Fixed Assets

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

(EUR thousand)

A. FIXED ASSETS	ACQUISITION AND PRODUCTION COST								DEPRECIATION AND AMORTIZATION							BOOK VALUES	
	Balance on 1 Jan. 2023	Addition	Additions due to changes in the scope of consolidation	Disposal	Disposals due to changes in the scope of consolidation	Transfers	Currency exchange differences	Balance on 31 Dec. 2023	Balance on 1 Jan. 2023	Addition	Disposal	Disposals due to changes in the scope of consolidation	Transfers	Currency exchange differences	Balance on 31 Dec. 2023	Book value 31 Dec. 2023	Book value 31 Dec. 2022
I. Intangible assets																	
1. Purchased concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	6,771	1,220	0	-369	-214	423	0	7,830	4,280	1,247	-351	-197	0	0	4,979	2,851	2,492
2. Goodwill	37,423	297	5,579	0	0	0	0	43,299	29,303	2,168	0	0	0	0	31,472	11,827	8,120
3. Advance payments	301	155	0	0	0	0	0	455	0	302	0	0	0	0	302	153	301
Total intangible assets	44,495	1,671	5,579	-369	-214	423	0	51,584	33,583	3,717	-351	-197	0	0	36,752	14,832	10,912
II. Tangible assets																	
1. Land, leasehold rights and buildings	12,586	2,279	0	-237	-845	4,604	0	18,388	3,358	983	-164	-279	0	0	3,899	14,489	9,228
2. Technical equipment and machinery	32,960	3,516	125	-1,384	-1,338	300	3	34,183	13,835	3,929	-886	-981	0	0	15,897	18,285	19,124
3. Other equipment, factory and office equipment	19,007	4,142	98	-2,527	-838	9	3	19,894	8,606	3,892	-2,223	-614	-48	-1	9,613	10,281	10,401
4. Advance payments and assets under construction	6,265	8,366	0	-4	-206	-5,336	0	9,085	171	0	0	-172	48	0	47	9,038	6,094
Total tangible assets	70,819	18,303	223	-4,152	-3,227	-423	6	81,550	25,970	8,804	-3,272	-2,046	0	-1	29,456	52,093	44,847
III. Non-current financial assets																	
1. Equity investments	6,130	52	0	0	0	0	0	6,182	5,825	0	0	0	0	0	5,825	357	304
2. Securities held as fixed assets	982	1	0	-57	0	0	0	926	585	0	0	0	0	0	585	341	398
3. Other loans	21,096	210	0	-2,509	0	0	0	18,797	0	0	0	0	0	0	0	18,797	21,096
Total non-current financial assets	28,208	263	0	-2,566	0	0	0	25,905	6,410	0	0	0	0	0	6,410	19,495	21,798
Total Fixed Assets	143,522	20,236	5,802	-7,086	-3,441	0	6	159,039	65,965	12,521	-3,623	-2,243	0	-1	72,620	86,419	77,557

Consolidated Statement of Equity Changes

AS OF 31 DECEMBER 2023

(EUR thousand)

	EQUITY OF THE PARENT COMPANY				
	Subscribed capital	Capital reserve	Equity difference from currency translation	Consolidated balance sheet profit	Total
Balance on 1 Jan. 2022	200	43,422	-10	67,836	111,448
Consolidated net profit	0	0	0	7,055	7,055
Currency translation	0	0	-3	0	-3
Distributions	0	0	0	-2,200	-2,200
Other changes	0	-664	0	0	-664
Balance on 31 Dec. 2022	200	42,758	-13	72,691	115,636
Balance on 1 Jan. 2023	200	42,758	-13	72,691	115,636
Consolidated net profit	0	0	0	4,188	4,188
Currency translation	0	0	106	0	106
Distributions	0	0	0	-2,500	-2,500
Changes in the scope of consolidation	0	0	0	-228	-228
Other changes	0	-5,736	0	1,343	-4,393
Balance on 31 Dec. 2022	200	37,022	93	75,494	112,809

NON-CONTROLLING INTERESTS			CONSOLIDATED EQUITY	
Total capital attributable to non-controlling interests	Equity differences from currency translation attributable to non-controlling interests	Profit attributable to non-controlling interests	Total	Total
19,607	0	0	19,607	131,055
0	0	5,185	5,185	12,240
0	0	0	0	-3
-3,089	0	0	-3,089	-5,289
-960	0	0	-960	-1,624
15,558	0	5,185	20,743	136,379
15,558	0	5,185	20,743	136,379
0	0	5,283	5,283	9,471
0	54	0	54	160
-3,701	0	0	-3,701	-6,201
1,747	0	0	1,747	1,519
-289	0	0	-289	-4,682
13,315	54	10,468	23,837	136,646

A. GENERAL DISCLOSURES INCLUDING DISCLOSURES IN THE GROUP

1. Accounting policies applied

The consolidated financial statements of HÖRMANN Industries GmbH (Munich Local Court, HRB 141701), with registered office in Kirchseeon, for the financial year from 1 January to 31 December 2023 were prepared in accordance with the provisions of German commercial law for consolidated financial statements and the supplementary provisions of the *Gesetz betreffend die Gesellschaften mit beschränkter Haftung* (GmbHG – German Limited Liability Companies Act).

The consolidated financial statements have been prepared in thousands of euros, which may result in immaterial rounding differences.

The consolidated income statement is structured according to the total cost (nature of expense) method (section 275(2) of the *Handelsgesetzbuch* (HGB – German Commercial Code)).

The consolidated income statement has been expanded to include the gross profit subtotal to improve insight into the earnings situation. Furthermore, in order to improve the insight into the Group's earnings position, the expenses in connection with the deconsolidation of subsidiaries (loss from deconsolidation) were recognised in the separate item "Expenses from the disposal of shares in subsidiaries".

The financial statements of the companies included in the consolidated financial statements have been prepared in accordance with the provisions of commercial law using uniform accounting and valuation principles in line with the principles of the parent company.

The separate financial statements of the consolidated companies have been prepared as at the reporting date of the parent company.

The consolidated financial statements have been prepared on a going concern basis (Section 252 (1) No. 2 HGB).

The presentation of the consolidated financial statements is the same as in the previous year, with the exception of the recognition of deferred tax income and expenses in the consolidated income statement. This is reported in the consolidated financial statements for the financial year from 1 January to 31 December 2023 under the item "Taxes on income" and not under a separate item. The previous year's column for the comparative period has been adjusted accordingly.

2. Consolidated group

a.) Companies under the uniform control of HÖRMANN Industries GmbH, Kirchseeon, as a result of a direct or indirect majority investment or as a result of these companies being integrated into a uniform business policy or where a controlling relationship exists in some other way, were included in the consolidated financial statements in accordance with the principles of sections 300 et seq. HGB. Name, registered office and share in the capital of the associated companies are shown below.

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF HÖRMANN INDUSTRIES GMBH BY WAY OF FULL CONSOLIDATION as at 31 December 2022

	Equity portion (EUR thousand)	Total equity (EUR thousand)	Total net income/loss (EUR thousand)	Interest (in %)
Automotive division				
HÖRMANN Automotive GmbH, Kirchseeon ³	10,390.6	10,390.6	0.0	100.00%
HÖRMANN Automotive Saarbrücken GmbH, Saarbrücken ³	4,570.6	4,570.6	0.0	100.00%
HÖRMANN Automotive St. Wendel GmbH, St. Wendel ³	4,190.8	4,190.8	0.0	100.00%
HÖRMANN Automotive Wackersdorf GmbH, Wackersdorf ³	2,030.1	2,030.1	69.2	100.00%
HÖRMANN Automotive Assets GmbH, Kirchseeon	355.7	355.7	-199.1	100.00%
HÖRMANN Automotive Gustavsburg GmbH, Ginsheim-Gustavsburg	19,735.2	19,735.2	4,411.2	100.00%
HÖRMANN Automotive Slovakia s.r.o., Bánovce, Slovakia	1,598.1	1,598.1	-1,849.1	60.00%
Versorgungswerk HÖRMANN Automotive Gustavsburg e.V., Ginsheim-Gustavsburg	-4,650.1	-4,650.1	-919.9	100.00%

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF HÖRMANN INDUSTRIES GMBH BY WAY OF FULL CONSOLIDATION as at 31 December 2022

	Equity portion (EUR thousand)	Total equity (EUR thousand)	Total net income/loss (EUR thousand)	Interest (in %)
Intralogistics division				
HÖRMANN Intralogistics Solutions GmbH (formerly HÖRMANN Logistik GmbH), Munich ³	5,672.9	6,035.0	0.0	94.00%
HÖRMANN Logistik Polska Sp. z o.o., Gdansk, Poland	283.1	283.1	234.7	100.00%
HÖRMANN Klatt Conveyors GmbH, Neumarkt am Wallersee, Austria	3,432.9	4,086.8	856.6	84.00%
HÖRMANN Intralogistics Solutions GesmbH (formerly HÖRMANN Logistik Systeme GmbH), Graz, Austria	-1,694.9	-1,694.9	-864.7	100.00%
HÖRMANN Intralogistics GmbH, Kirchseeon (formerly HÖRMANN Industrieservice GmbH, Lehre)	9,189.7	9,189.7	698.3	100.00%
HÖRMANN Intralogistics Services GmbH, Salzgitter ³	389.1	389.1	0.0	100.00%
HÖRMANN Energy Solutions GmbH, Wolfsburg	-0.6	-0.6	-22.9	100.00%
Engineering division				
HÖRMANN BauPlan GmbH, Chemnitz ³	1,382.3	1,382.3	0.0	100.00%
HÖRMANN Rawema Engineering & Consulting GmbH, Chemnitz ³	518.4	518.4	0.0	100.00%
VacuTec Meßtechnik GmbH, Dresden ³	6,766.3	7,518.1	0.0	90.00%
HÖRMANN Vehicle Engineering GmbH, Chemnitz	2,950.6	2,950.6	885.2	100.00%
Communication division				
Communication system segment				
Funkwerk AG, Kölleda	17,950.5	23,013.4	1,648.1	78.00%
Funkwerk Systems GmbH, Kölleda ³	15,933.1	15,933.1	0.0	100.00%
Funkwerk StatKom GmbH, Kölleda	381.3	381.3	132.7	100.00%
Funkwerk Systems Austria GmbH, Vienna, Austria	-1,720.7	-1,720.7	118.7	100.00%
Funkwerk Technologies GmbH, Kölleda	59,769.7	59,769.7	3,594.9	100.00%
Funkwerk Security Solutions GmbH (formerly Funkwerk video systeme GmbH), Nuremberg	-43,989.1	-43,989.1	-2,379.1	100.00%
Funkwerk plettac electronic GmbH, Nuremberg ¹	25.0	25.0	0.0	100.00%
FunkTech GmbH, Kölleda ³	57.6	57.6	-455.4	100.00%
Funkwerk IoT GmbH, Kölleda	-1,031.3	-1,031.3	-3.1	100.00%
HÖRMANN Kommunikation & Netze GmbH, Kirchseeon	9,242.4	9,242.4	2,269.0	100.00%
Radionika Sp. z o.o., Krakow, Poland	3,652.8	6,088.0	1,583.7	60.00%
euromicron AG in insolvency, Neu-Isenburg ²	-12,584.6	-81,930.8	-143,172.8	15.36%
Communication service segment				
HÖRMANN Warnsysteme GmbH, Kirchseeon ³	2,360.5	3,147.7	0.0	74.99%
HÖRMANN – KMT Kommunikations- und Meldetechnik GmbH, Salzburg, Austria	794.8	794.8	184.1	100.00%
HÖRMANN Warnsysteme Bulgaria EOOD, Sofia, Bulgaria	8.7	8.7	8.7	100.00%
Holdings, other companies				
HÖRMANN Digital GmbH, Kirchseeon ³	485.9	485.9	0.0	100.00%
HÖRMANN Finance & Accounting GmbH, Kirchseeon	60.0	60.0	-764.4	100.00%

The exemption of section 313(3) sentence 4 HGB was applied to equity investments of minor significance to the presentation of financial position and financial performance.

¹ Provisional

² Net income for 2019

³ Net income after profit transfer

There were the following material changes in the consolidated group in the financial year:

100% of the shares in ALSTAKOM - Aluminium- und Stahlkomponenten Ebersbach GmbH (formerly: HÖRMANN Automotive Eisingen GmbH), Ebersbach, were sold in September 2023 and transferred effective 1 November 2023. ALSTAKOM - Aluminium- und Stahlkomponenten Ebersbach GmbH was deconsolidated as at 31 October 2023.

In the financial year 2023, Funkwerk Systems GmbH acquired 60% of the shares in Radionika Sp. z o.o., Krakow, Poland. The company was consolidated for the first time when the shares were transferred on 30 June 2023.

HÖRMANN Warnsysteme Bulgaria EOOD, Bulgaria, was founded on 10 March 2023 and included in consolidation for the first time as at 1 July 2023.

The changes in the consolidated group do not affect comparability with the previous year.

b.) Companies not included due to immateriality

By reference to section 296(2) HGB and section 311(2) HGB, the shares in the following companies were not included in consolidation on account of their immateriality to the financial position and financial performance of the Group.

COMPANY	Equity interest in %
HÖRMANN PANNON SOFTWARE KFT., BUDAPEST, HUNGARY	50.00
HL Mitarbeiterbeteiligungsgesellschaft mbH, Munich	80.00
Camunsa-HÖRMANN S.A., Barcelona, Spain	37.50
VAKS a.s., Gablonz nad Nisou, Czechia	31.50
HÖRMANN-Rema Praha spol. s r.o, Prague, Czechia	30.00
HÖRMANN ERMAFA GmbH, Chemnitz	100.00
AIC Zeitarbeit GmbH i.L., Chemnitz	60.00
Versorgungswerk HÖRMANN Gruppe e.V., Traunstein	Special purpose entity
Versorgungswerk HÖRMANN Gruppen-Unterstützungskasse e.V., Kirchseeon	Special purpose entity
HÖRMANN Logistik Czech Republic s.r.o., Prague, Czechia	100.00

The exemption of section 313(3) sentence 4 HGB was applied to equity investments of minor significance to the presentation of financial position and financial performance as the companies are either inactive or generate sales that are insignificant to the Group.

c.) Equity investments as referred to by section 271(1) HGB

Funkwerk AG, Köllede, holds an interest of 15.36% in euromicron AG in Insolvenz, Neu-Isenburg. As a result of the initiation of insolvency proceedings on 23 December 2019, the investment was written off in full at the level of Funkwerk AG, Köllede, in previous years.

3. Reporting date of the consolidated financial statements

The consolidated financial statements were prepared as at 31 December 2023. This reporting date is the end of the financial year for all companies included in the consolidated financial statements.

4. Consolidation policies

HÖRMANN Industries GmbH, Kirchseeon, itself (direct parent company) is in accordance with Section 271 (2) HGB in conjunction with Section 290 HGB an affiliated company of HÖRMANN Holding GmbH & Co. KG, Kirchseeon (ultimate parent company) and its direct and indirect subsidiaries and is exempt from the obligation to prepare consolidated financial statements in accordance with Section 291 HGB. As at 31 December 2023, HÖRMANN Industries GmbH, Kirchseeon, as the parent company, has voluntarily prepared consolidated financial statements comprising a consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity, notes to the consolidated financial statements and the Group management report.

HÖRMANN Warnsysteme GmbH, Kirchseeon, and HÖRMANN Kommunikation & Netze GmbH, Kirchseeon, were contributed to HÖRMANN Industries GmbH, Kirchseeon, as at 31 October 2011, as was HÖRMANN Automotive GmbH, Kirchseeon, as at 30 November 2011. These companies were contributed at book value. At EUR 5.1 million, the book value of the contributions exceeded the value of the shares granted as consideration. The excess was transferred to capital reserves. The companies contributed as at 31 October 2011 and 30 November 2011 were included in consolidation for the first time as at these dates. The resulting negative goodwill of EUR 31.0 million was reclassified to capital reserves in accordance with sections 301 and 309 HGB as the shares were acquired as a contribution in kind at book value in the context of a restructuring of the HÖRMANN Holding GmbH & Co. KG Group. Goodwill arising was written off immediately.

Acquisition accounting was performed in line with the revaluation method. In accordance with section 301(1) HGB, the remeasured equity is carried in the amount of the fair value of the assets, liabilities, prepaid expenses and deferred income and special reserves included in the consolidated financial statements as at the date of first-time consolidation.

Any excess remaining after offsetting the shares in the affiliated company against equity is reported as goodwill.

Deferred tax assets and liabilities arising as a result of consolidation adjustments are accounted for at the level of HÖRMANN Industries GmbH, Kirchseeon, using a tax rate of 30.08% and at the level of Funkwerk AG, Köllede, using a tax rate of 29.83%, whereas deferred taxes from Group companies are measured using a uniform corporate income tax rate (including solidarity surcharge) of 15.83% and an individual trade tax rate dependent on the tax rate applied of between 11.55% and 17.15%. The resulting tax expenses are offset against tax income.

Intragroup receivables, liabilities, provisions and sales, other intragroup income and expenses and intercompany profits and losses have been eliminated.

The consolidated income statement is prepared by summarising the individual income statements of the consolidated subsidiaries.

There are uniform reporting, measurement and classification guidelines for accounting for the Group companies included in consolidation and valuation. Corresponding reclassifications or remeasurements were implemented in the event of deviations from the uniform classification or measurement provisions.

Intra-group receivables, liabilities and provisions were eliminated as part of the debt consolidation.

In the consolidated income statement, both sales and other income from trade and financial transactions between the companies included in the consolidated financial statements are offset against the expenses attributable to them. Intercompany profits in property, plant and equipment and inventories are eliminated to the extent that they are significant.

The consolidation principles are unchanged from the previous year.

5. Negative goodwill

The "Goodwill" item includes the goodwill from the first-time consolidation of Funkwerk AG, Köllede, as at 1 October 2016. Its value was EUR 2,502 thousand (previous year: EUR 3,410 thousand) as at 31 December 2023 and will be written down over ten years. Goodwill was written down pro rata by EUR 910 thousand in the 2023 financial year.

The goodwill of HÖRMANN Vehicle Engineering GmbH, Chemnitz, of EUR 442 thousand from first-time consolidation as at 1 December 2016 is also being written down over ten years. Its value was EUR 129 thousand (previous year: EUR 173 thousand) as at 31 December 2023 and was written down pro rata by EUR 44 thousand in the 2023 financial year.

As at 31 December 2023 from first-time consolidation, HÖRMANN Intralogistics Services GmbH, (formerly MAT Maschinentechnik GmbH), Salzgitter, generated qualifying goodwill of EUR 219 thousand (previous year: EUR 274 thousand). This will be written down over a period of ten years; a write-down of EUR 55 thousand was recognised in the 2023 financial year.

As at 31 December 2023 from first-time consolidation, HÖRMANN Klatt Conveyors GmbH (formerly Klatt Fördertechnik GmbH), Neumarkt am Wallersee, Austria, generated qualifying goodwill of EUR 2,740 thousand (previous year: EUR 3,261 thousand). This will be written down over a period of ten years; a write-down of EUR 521 thousand was recognised in the 2023 financial year.

As at 31 December 2023 from first-time consolidation, Funkwerk Security Solutions GmbH (formerly Funkwerk vipro.sys GmbH), Leipzig, generated qualifying goodwill of EUR 76 thousand (previous year: EUR 122 thousand). This will be written down over a period of four years; a write-down of EUR 46 thousand was recognised in the 2023 financial year.

As at 31 December 2023, the acquisition and revaluation of Radionika Sp. z o.o., Krakow, Poland, generated qualifying goodwill of EUR 5,254 thousand (previous year: EUR 0 thousand). This was written down pro rata temporis from June 2023 by EUR 326 thousand in the 2023 financial year. It will be written down over a period of ten years.

Goodwill recognised in the balance sheet is amortised on a straight-line basis over the estimated useful life of 4 and 10 years, as the earnings prospects of the acquired customer relationships have an impact over this period.

B. ACCOUNTING AND VALUATION METHODS INCLUDING DEVIATIONS AND FOREIGN CURRENCY TRANSLATION

The financial statements of the companies included in the consolidated financial statements are prepared using uniform accounting policies.

The following accounting and valuation methods were used to prepare the consolidated financial statements.

Purchased concessions, industrial and similar rights and assets and licences in such rights and assets are capitalised at the time of the transfer of economic or legal ownership at acquisition cost and amortised pro rata temporis on a straight-line basis over the expected useful life of three to five years. The scope of the acquisition costs corresponds to Section 255 (1) HGB.

The option under Section 248 (2) sentence 1 HGB is not exercised in the Group and no internally generated intangible fixed assets are capitalised. Research and development costs are recognised immediately as an expense.

Purchased **goodwill** is capitalised at acquisition cost and amortised pro rata temporis on a straight-line basis over a period of four to ten years.

Tangible assets are measured at the time of the transfer of economic or legal ownership at acquisition or production cost less straight-line depreciation over their expected useful lives. Depreciation is measured using the tax depreciation tables, essentially taking the maximum rates as a basis and insofar as the customary useful lives do not deviate significantly. The scope of acquisition costs corresponds to Section 255 (1) HGB. Production costs in accordance with Section 255 (2) and (3) HGB include the direct costs of materials and production, special production costs, appropriate portions of overheads and production-related depreciation.

Low-value assets of up to EUR 250 acquired in the financial year are written off in full in their year of acquisition and treated as a disposal. An omnibus item is recognised in the year of acquisition for low-value assets of between EUR 250 and EUR 1,000 and written down on a straight-line basis over five years.

If the fair value of intangible assets and tangible assets is less than their book value as at the balance sheet date as a result of permanent impairment, the assets are written down to their lower fair value and the remaining useful life is adjusted if necessary.

The Group does not make use of the option under Section 255 (3) sentence 2 HGB and does not capitalise interest on borrowed capital.

Equity investments and other loans are carried at the lower of cost or fair value if impairment is expected to be permanent. No amortisation is recognised for impairments that are expected to be temporary.

Long-term investments are initially carried at acquisition cost and subsequently at market prices or fair value, not exceeding acquisition cost, if such market prices cannot be determined.

Inventories are recognised at acquisition or production cost. Write-downs to the lower fair value are recognised if the market price was lower than the original acquisition or production cost.

Raw materials, consumables and supplies and merchandise are measured at average acquisition cost (moving average). They are written down to lower fair value depending on storage periods, diminished marketability, the weighting of disposal volumes, lower replacement costs at the balance sheet date and lower selling prices.

Work in progress and finished goods are carried at production cost (direct costs and appropriate amounts of material and production overheads) including depreciation of fixed assets if caused by production, but not including appropriate amounts of administrative costs, and in accordance with the principle of lower of cost or market. Normal utilisation levels were assumed in calculating the overhead rates. Provisions are recognised for anticipated losses from pending transaction that exceed production cost.

The Group does not make use of the option under Section 255 (3) sentence 2 HGB and does not capitalise interest on borrowed capital.

Payments received on account of orders are deducted from inventories on the face of the balance sheet, if possible.

Receivables and other assets are carried at the lower of nominal and fair value.

The principle of lower of cost or market was applied for specific risks by means of corresponding specific valuation allowances.

Global valuation allowances are recognised on **trade receivables** for general interest and credit risks.

Receivables from affiliated companies include receivables from companies that satisfy the conditions for consolidation in the parent company HÖRMANN Holding GmbH & Co. KG, Kirchseeon, and are thus included in the consolidated financial statements prepared for the largest group of companies.

Cash-in-hand and bank balances are carried at nominal amount.

Disbursements before the reporting date are reported as **prepaid expenses** if they constitute an expense for a specific period after this date.

Deferred tax assets are recognised in the amount that it is probable that they will lead to tax relief in future financial years. **Deferred tax liabilities** are recognised for future tax charges. Where possible, deferred tax assets and liabilities are offset in accordance with the option provided by section 274 HGB in conjunction with section 306 HGB. Deferred taxes are recognised for differences between the book values of assets and liabilities in the consolidated financial statements and the corresponding tax carrying amounts and loss carryforwards in the calculation of taxable income.

Deferred tax liabilities are generally recognised for all taxable temporary differences; deferred tax assets are recognised to the extent that it is probable that there will be future taxable profits against which deductible temporary differences can be utilised.

Deferred tax liabilities and tax assets are calculated on the basis of the expected tax rates and tax laws that are expected to apply when the liability is settled or the assets are realised, or when the loss carryforward is utilised.

Deferred tax charges and tax relief resulting from consolidation measures are recognised at the tax rate of HÖRMANN Industries GmbH, Kirchseeon, of 30.08%, whereas deferred taxes from the Group companies are measured at a uniform corporation tax rate (including solidarity surcharge) of 15.83% and at an individual trade tax rate of between 11.55% and 17.15% depending on the multiplier. The resulting tax expenses are offset against tax income.

The deferred taxes from the individual financial statements are summarised in accordance with Section 274 HGB with the deferred taxes at Group level in accordance with Section 306 HGB.

The amount by which the fair value of plan assets exceeds the liabilities arising from partial early retirement obligations or pension obligations is reported as the **excess of plan assets over pension liabilities**. These assets cannot be accessed by any other creditors and are intended solely for the satisfaction of liabilities from partial early retirement obligations or pension obligations.

Subscribed capital is carried at nominal amount.

Provisions for pensions and similar obligations were calculated in accordance with the projected unit credit method using the 2018G Heubeck mortality tables and taking into account the fluctuation rate and forecast wage, salary and pension increases specific to the company. The interest rates are consistent with the average market interest rates for the last ten financial years published by Deutsche Bundesbank in accordance with section 253(2) HGB, applying the practical expedient for an average remaining term of 15 years. The effects on profit or loss of changes in the discount rate are recognised in financial result.

Assets that satisfy the requirements of plan assets for pension and partial early retirement obligations are measured at fair value and offset against the respective individual obligation.

One fifteenth of the difference arising from the remeasurement of pension obligations and plan assets as a result of the adoption of the German Accounting Law Modernisation Act was added in the financial year.

Pension provisions were measured based on the following premises:

- ♦ Interest rate (10-year average): 1.83%
- ♦ Interest rate (7-year average): 1.76%
- ♦ Expected wage and salary increases: 0.00 % to 3.00 %
- ♦ Expected inflation rate/pension trend: 0.00 % to 2.00 %

In accordance with section 253(2) sentence 1 HGB, the Group used a ten-year period to calculate the average interest rate for the discounting of pension obligations. Comparing against the calculation using the average market interest rate for the past seven financial years results in a difference in accordance with section 253(6) HGB of EUR 2,231 thousand (previous year: EUR 2,670 thousand).

The settlement amount of pension provisions is EUR 33,964 thousand (previous year: EUR 34,372 thousand). This is offset against assets of EUR 1,077 thousand (previous year: EUR 1,877 thousand) that are exclusively reserved for pension obligations. Plan assets in excess of the settlement amount of EUR 185 thousand (previous year: EUR 163 thousand) were reported on the assets side of the balance sheet as the "Excess of plan assets over pension liabilities".

The amortised cost of the offset assets is EUR 1,079 thousand, while their recognised fair value is EUR 1,077 thousand. The recognition of fair value is due to the fact that the reinsurance policies entered into serve exclusively to fulfil the pension obligations and must therefore be measured at fair value and offset against the associated liabilities (section 246(2) sentence 2 HGB, section 253(1) sentence 4 HGB). Only insignificant amounts are offset in the income statement in this regard.

As a result of the HGB regulations amended as at 1 January 2010, an addition of at least one fifteenth to the direct pension provision, which amounts to EUR 1,540 thousand, is required in line with Article 67(1) sentence 1 of the *Einführungsgesetz zum Handelsgesetzbuch* (EGHGB – Introductory Act to the German Commercial Code). EUR 103 thousand was added in the financial year. The difference had been recognised in full by 31 December 2023.

Tax provisions and other provisions take into account all discernible risks and uncertain obligations from pending transactions in line with prudent business judgment. They are carried at the necessary settlement amount. Price and cost increases are taken into account accordingly where necessary when calculating the settlement amount. Other provisions with a remaining term of more than one year are discounted according to their remaining term using the average market interest rate for the last seven years in accordance with the *Rückstellungsabzinsungsverordnung* (RückAbzinsV – German Regulation on the Discounting of Provisions).

The option of discounting provisions for liabilities with a residual term of up to one year is not utilised.

Provisions for impending losses from pending transactions are calculated on the basis of full costs.

Other provisions also include warranties that are provided without legal obligations (goodwill).

Provisions for warranties are recognised at a flat rate of 0.50% of the (warrantable) sales revenue for the financial year.

Liabilities are carried at their settlement amount.

Liabilities to affiliated companies include liabilities to companies that satisfy the conditions for consolidation in the parent company HÖRMANN Holding GmbH & Co. KG, Kirchseeon, and are thus included in the consolidated financial statements prepared for the largest group of companies.

Proceeds received before the reporting date are reported as deferred income if they constitute income for a specific period after this date.

Assets and liabilities denominated in foreign currencies with a remaining term of up to one year are translated at the average spot exchange rate at the balance sheet date. Those with a remaining term of more than one year are translated in accordance with the imparity principle, hence exchange losses as at the balance sheet date are accounted for as an expense but exchange gains are not.

The consolidated financial statements were prepared in euro (EUR), which is the currency of the Group's primary economic environment (functional currency).

The items in the financial statements of each company included in consolidated are measured on the basis of the currency of the respective company's primary economic environment (functional currency).

Equity denominated in foreign currency is translated at the historical exchange rate.

Assets and liabilities in foreign currency and foreign currency amounts in the income statement are translated at the exchange rate on the date of initial recognition. Receivables and liabilities in foreign currencies are measured at the average spot exchange rate depending on their maturity as at the balance sheet date.

Financial statements of subsidiaries that are prepared in a functional currency other than the reporting currency, euro (EUR), are translated using the modified closing rate method: Assets and liabilities are translated at the middle spot rate at the reporting date for each balance sheet date. For simplification, income and expense items in the income statement are translated using the monthly average exchange rate for the period.

Differences resulting from the translation of financial statements prepared in a different functional currency are recognised directly in equity. Currency translation differences taken directly to equity are only recognised in profit or loss when the respective foreign operation is deconsolidated.

C. CONSOLIDATED BALANCE SHEET DISCLOSURES

1. Fixed assets

The statement of changes in fixed assets for the financial year is shown on pages 92/93:

2. Receivables and other assets

Trade receivables of EUR 0 thousand (previous year: EUR 18 thousand) have a remaining term of more than one year.

Other assets of EUR 74 thousand (previous year: EUR 1,156 thousand) have a remaining term of more than one year. As in the previous year, the remaining term of all other receivables recognised is less than one year.

Receivables from affiliated companies include trade receivables of EUR 1,419 thousand (previous year: EUR 3,973 thousand) and cash pooling receivables of EUR 15,846 thousand (previous year: EUR 11,045 thousand).

3. Provisions

Indirect pension obligations result in a shortfall in accordance with Art. 28 para. 1 sentence 2 EGHGB. The shortfall as at 31 December 2023 amounts to EUR 9,555 thousand (Art. 28 para. 2 EGHGB).

The shortfall from unrecognised indirect pension obligations at Versorgungswerk HÖRMANN Gruppen-Unterstützungskasse e.V., Kirchseeon, in accordance with Section 249 HGB in conjunction with Art. 28 (2) EGHGB amounts to EUR 8,232 thousand. Art. 28 para. 2 EGHGB amounts to € 21 thousand.

The fulfilment amount of the partial retirement provisions is EUR 3,472 thousand (previous year: EUR 3,659 thousand). It is offset against assets totalling EUR 1,742 thousand (previous year: EUR 1,714 thousand), which serve exclusively to secure the partial retirement obligations.

The acquisition costs of the offset assets amount to EUR 1,733 thousand. The recognised fair value of the offset assets amounts to EUR 1,077 thousand. The fair value of the assets generally corresponds to the market value on the balance sheet date.

In this respect, only insignificant interest expenses and interest income were offset in the consolidated income statement.

4. Liabilities

The remaining terms of the liabilities are shown in the consolidated maturity structure of liabilities below.

Liabilities to affiliated companies comprise EUR 4,055 thousand (previous year: EUR 4,129 thousand) from trade payables.

There is also normal business collateral (e.g. retentions of title, global assignments and the assignment of warehouses as collateral).

CONSOLIDATED MATURITY STRUCTURE OF LIABILITIES AS AT 31 DECEMBER 2023 (EUR thousand)

REMAINING TERM

	up to one year	more than one year	thereof more than five years	Total 31 Dec. 2023	thereof secured
1. Bonds	0	50.000	0	50.000	
Previous year	0	50.000	0	50.000	0
2. Liabilities to banks	3.848	1.875	0	5.723	0
Vorjahr	3.431	4.375	0	7.806	0
3. Trade payables	54.234	0	0	54.234	0
Previous year	52.704	0	0	52.704	0
4. Liabilities to affiliated companies	4.055	0	0	4.055	0
Previous year	4.129	0	0	4.129	0
thereof to shareholders	2.830	0	0	2.830	0
Previous year	3.157	0	0	3.157	0
5. Other liabilities	25.838	0	0	25.838	0
Previous year	14.370	0	0	14.370	0
thereof from taxes	13.532	0	0	13.532	0
Previous year	7.343	0	0	7.343	0
thereof for social security	3.156	0	0	3.156	0
Previous year	1.905	0	0	1.905	0
thereof to shareholders	325	0	0	325	0
Previous year	308	0	0	308	0
Financial year	87.975	51.875	0	139.850	0
Previous year	74.634	54.375	0	129.009	0

D. CONSOLIDATED INCOME STATEMENT DISCLOSURES

1. Expenses and income in accordance with section 314(1) no. 23 HGB

The following expenses of an extraordinary amount were incurred in the past financial year:

Background	Income statement item	Amount in EUR k
Expenses from the disposal of Aluminium- und Stahlkomponenten Ebersbach GmbH (formerly: HÖRMANN Automotive Eislingen GmbH)	Expenses from the disposal of shares in subsidiaries	7,390

2. Sales

Regions	2023 EUR million	2022 EUR million
Sales, domestic	494	477
Sales, EU foreign countries	304	187
Sales, other foreign countries	33	22
Total	831	686

Geschäftsbereiche

Automotive	475	404
Intralogistics	120	79
Engineering	36	22
Communication	199	180
Holding	1	1
Total	831	686

3. Other operating income

Other operating income includes income relating to other periods of EUR 9,385 thousand (previous year: EUR 8,503 thousand), EUR 8,663 thousand (previous year: EUR 7,932 thousand) of which relates to the reversal of provisions.

4. Taxes on income

Taxes on income include tax expenses relating to other periods of EUR 843 thousand (previous year: EUR 123 thousand) and prior-period tax income of EUR 628 thousand (previous year: EUR 17 thousand).

Taxes on income include income from deferred taxes totalling EUR 2,006 thousand (previous year: EUR 407 thousand).

E. OTHER DISCLOSURES

1. Contingent liabilities from unrecognised liabilities in accordance with section 251 HGB

HÖRMANN Industries GmbH, Kirchseeon, together with one of its subsidiaries, is jointly and severally liable for a guarantee issued by Commerzbank AG, Frankfurt/Main, to HÖRMANN Holding GmbH & Co. KG, Kirchseeon, up to an amount of EUR 0.4 million until further notice. EUR 0.4 million of this guarantee facility had been utilised as at 31 December 2023. To the best of our knowledge, HÖRMANN Holding GmbH & Co. KG, Kirchseeon, conduct its business properly and in a manner that ensures that it is able to meet all its obligations on its own and that therefore recourse to HÖRMANN Industries GmbH, Kirchseeon, is not expected. It therefore does not appear necessary to recognise contingent liabilities as a liability as at the reporting date.

2. Other financial commitments

Obligations under rental and lease agreements and other longer-term contracts amount to EUR 58.8 million. Other financial obligations of EUR 18.1 million have a remaining term of up to one year, EUR 37.5 million have a remaining term of between one and five years and EUR 3.2 million have a remaining term of more than five years.

3. Related party transactions

In the financial year, there were no material transactions with related parties that were necessary for the assessment of the financial position and were not concluded at arm's length.

4. Auditor's fees

The total fee charged by the auditor for the financial year is broken down by area of activity as follows:

	2023 (in EUR thousand)
Audits of financial statements	699
Other assurance or valuation services	15
Tax advisory services	176
Other services	3
Total	893

In addition to the above fees for audit services, the fees of the auditor's network within the European Union amount to EUR 80 thousand.

5. Management

During the financial year, the business of the parent company was managed by the following persons:

- ♦ Dr Michael Radke, engineer
- ♦ Mr Johann Schmid-Davis, business administration graduate
- ♦ Dr Christian E. Baur, engineer

The managing directors are exempt from the restrictions of section 181 of the *Bürgerliches Gesetzbuch* (BGB – German Civil Code) for transactions with the company.

In accordance with section 314(3) HGB in conjunction with 286(4) HGB, the company does not disclose management remuneration.

6. Employees

Not including trainees or managing directors, there were 2,919 employees on average in the 2023 financial year (previous year: 2,876). The average number of trainees was 76 (previous year: 84).

Average number of employees by group:

Group	2023
Production	1,974
Sales/Project Management	295
Development	362
Administration	288
Total	2,919

7. Exemption in accordance with section 264(3) HGB

The subsidiaries

- ♦ HÖRMANN Automotive GmbH, Kirchseeon,
- ♦ HÖRMANN Automotive Saarbrücken GmbH, Saarbrücken,
- ♦ HÖRMANN Automotive St. Wendel GmbH, St. Wendel,
- ♦ HÖRMANN Automotive Wackersdorf GmbH, Wackersdorf,
- ♦ HÖRMANN Warnsysteme GmbH, Kirchseeon,
- ♦ HÖRMANN Intralogistics Solutions GmbH, Munich,
- ♦ HÖRMANN BauPlan GmbH, Chemnitz,
- ♦ VacuTec Meßtechnik GmbH, Dresden,
- ♦ HÖRMANN Rawema Engineering & Consulting GmbH, Chemnitz,
- ♦ HÖRMANN Digital GmbH, Kirchseeon,
- ♦ HÖRMANN Finance & Accounting GmbH, Kirchseeon,
- ♦ HÖRMANN Intralogistics GmbH, Kirchseeon,
- ♦ HÖRMANN Intralogistics Services GmbH, Salzgitter,

exercise the exemption regarding the disclosure of their annual financial statements in accordance with section 325 HGB and, if necessary, the provisions regarding the preparation of notes or a management report in accordance with section 264(3) HGB.

8. Group affiliation

HÖRMANN Industries GmbH, Kirchseeon and its direct and indirect subsidiaries are included as affiliated companies in accordance with section 271(2) HGB in conjunction with section 290 HGB in the consolidated financial statements of HÖRMANN Holding GmbH & Co. KG, Kirchseeon, (ultimate parent company) with the largest consolidated group. The consolidated financial statements of HÖRMANN Holding GmbH & Co. KG, Kirchseeon, are filed with and disclosed by the company register and are available at www.unternehmensregister.de.

9. Significant events after the balance sheet date

There were no significant events after the end of the financial year that were not recognised in the income statement or balance sheet.

10. Resolution on the appropriation of profits of the parent company

The management proposes to carry forward the net loss for the year of EUR 9,469 thousand together with the profit carried forward of EUR 54,137 thousand.

F. CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement is structured in accordance with the German Accounting Standard DRS 21.

The **cash flow from operating activities** is an indicator of the extent to which operating activities generated cash surpluses.

The **cash flow from investing activities** indicates the extent to which expenses were incurred for resources expected to generate future income and cash flows.

The **cash flow from financing activities** includes the interest payments on account of the bond issued for the financing of the HÖRMANN Industries GmbH Group.

Definition of cash and cash equivalents

The cash and **cash equivalents at the end of the period** shown in the consolidated cash flow statement consisted exclusively of bank balances available at short notice and cash-in-hand. Please refer to the comments in the Group management report, section Financial Position.

Kirchseeon, April 2024

HÖRMANN Industries GmbH
The Management

Dr.-Ing. Michael Radke

Johann Schmid-Davis

Dr.-Ing. Christian E. Baur

INDEPENDENT AUDITOR'S REPORT

To HÖRMANN Industries GmbH, Kirchseeon

AUDIT OPINIONS

We have audited the consolidated financial statements of HÖRMANN Industries GmbH, Kirchseeon, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January 2023 to 31 December 2023 and notes to the consolidated financial statements, including a presentation of the recognition and measurement policies.

In addition, we have audited the group management report of HÖRMANN Industries GmbH for the financial year from 1 January 2023 to 31 December 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 the requirements of German commercial law and, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities and financial position of the group as at 31 December 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023, and
- ♦ the accompanying group management report as a whole provides an appropriate view of the group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of 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 those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in compliance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

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

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

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

- ♦ identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- ♦ obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- ♦ evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- ♦ conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.

- ♦ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with German Legally Required Accounting Principles.
- ♦ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express audit opinions on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- ♦ evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the group's position it provides.
- ♦ perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

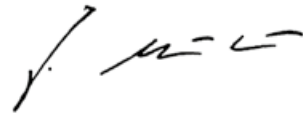
Munich, 26 April 2024

BDO AG

Wirtschaftsprüfungsgesellschaft



Günter Wörl
Wirtschaftsprüfer
(German Public Auditor)



Johannes Männlein
Wirtschaftsprüfer
(German Public Auditor)

Values of HÖRMANN Group





More information on our sustainability activities can be found in the HÖRMANN Group's Sustainability Report 2023:

www.hoermann-gruppe.com/en/company/sustainability

Imprint

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