Annual Report 2024

Focus resilience.

TECHNOLOGY. DYNAMISM. EFFICIENCY.

Key figures 2024

In € THOUSAND	2024	2023	Change in %
Sales	518,950	532,860	-2.6%
EBITDA	38,133	42,878	-11.1%
as % of sales	7.3%	8.0%	-
EBIT	6,771	10,364	-34.7%
as % of sales	1.3%	1.9%	-
Net profit of the group	-4,405	-886	-397.0%
Earnings per share [1]	-0.68	-0.14	-397.0%
Equity	118,472	123,944	-4.4%
Equity ratio	31.8%	33.0%	-
Operating free cash flow	-12,936	3,874	-
Total free cash flow	-12,936	3,874	-434.0%
Net liquidity / Net financial debt	-97,389	-82,395	-18.2%
Capital expenditures [2]	43,965	37,127	18.4%
as % of sales	8.5%	7.0%	-
Net working capital	68,651	64,837	5.9%
as % of sales	13.2%	12.2%	-
ROCE	2.5%	4.0%	-
Average headcount [3]	1,812	1,826	-0.8%

1) Based on an average number of 6,436,209 shares outstanding
2) Additions to property, plant and equipment and intangible assets
3) Excluding hired temps

Sales
519
€ million

EBITDA
38.1
€ million

Employees
1,812

Contents

SEBASTIAN ROTERMANN
Chief Operating Officer

WOLFGANG PLASSER
Chief Executive Officer

THOMAS KARAZMANN
Chief Financial Officer

Foreword of the Management Board

DEAR SHAREHOLDERS,

The economic environment in the year 2024 was swept by challenging headwinds worldwide. While the global economy grew overall, the German economy stagnated. In particular, delays in the transformation to e-mobility presented the automobile sector with persistent challenges. At the same time, we are confronted by global distortions: geopolitical tensions and intensive competition, particularly from new market players from Asia, had a major impact on our industry.

In this dynamic market environment we have proven the resilience of our company, even though no growth was recorded. Sales amounted to € 519.0 million in fiscal year 2024, 2.6 per cent below the previous year's figure. Consolidated earnings before interest, taxes, depreciation and amortization, including impairment losses, came to € 38.1 million (previous year € 42.9 million). The EBITDA margin came to 7.3 per cent and and is therefore down on the previous year's figure of 8.0 per cent.

After already generating positive change in the Powder Metallurgy division in 2023, this year we managed to do the same with the Pumps and Engine Components division, something we are particularly proud of as we managed to improve productivity by initiating targeted efficiency programs. In the Brake Discs division, we are currently working on measures to optimise the operation that will lead to efficiency gains and the best exploitation of the available potential.

Our strength lies in our broad positioning as a supplier for all kinds of powertrains, from internal combustion engines through to fully-electric. This allows us to respond flexibly to technological developments and market needs. It is our goal to meet the various needs of our customers and establish ourselves as a trusted partner at their side, regardless of which technology will come to prevail in future. Our global presence in America, Europe and Asia is making us more resilient to regional market volatility and our resilience to economic crises. Thanks to this geographic diversity, SHW remains well equipped to master the transformation and is in a good position to make optimal use of any opportunities that arise in the various market segments. Quality, safety and efficiency are at the centre of everything we do.

As an innovative company we always look beyond our own horizons. In addition to our position in terms of powertrain technologies, we also continuously monitor new market segments and industries to identify where we can contribute our expertise. Expanding our portfolio and tapping into new fields of business are key elements of our long-term strategy. We are convinced that the transformation offers enormous opportunities for us to actively shape the future together with our employees, partners and customers.

As our 650-year history shows: change is part of our DNA. Our adaptability, innovative strengths and clear strategic course makes us optimistic about the future and we are ready to seize new opportunities and succeed together.

Many thanks for the faith you have placed in us!

Aalen, 20 March 2025

Wolfgang Plasser Chief Executive Officer	Thomas Karazmann Chief Financial Officer	Sebastian Rotermann Chief Operating Officer


INNOVATION
COST EFFICIENCY
TOP QUALITY
SUSTAINABILITY

The company.

YOUR RELIABLE PARTNER FOR STATE-OF-THE ART MOBILITY.

Since 1365 SHW has combined tradition and resilience with innovation and dynamism – a company with centuries of know-how that always has its finger on the pulse worldwide. SHW is a systems supplier for the international automobile industry, from passenger cars through to high performance cars and commercial vehicles, trucks and off-highway vehicles. The team develops innovative solutions for all kinds of powertrains – from conventional internal combustion engines through to plug-in hybrids and battery-electric vehicles. With 1,812 employees spread over nine international locations, the Company generated sales of roughly € 519 million in 2024.

MAXIMUM EFFICIENCY AND QUALITY FROM INNOVATION

SHW relies on the latest production technologies and digital processes in order to continuously improve its efficiency, quality and flexibility. With its extensive development skills and systems competence, SHW, as a global supplier, delivers tailor-made powertrain solutions for all kinds of vehicles – from internal combustion engines through to hybrids and battery-electric cars. As a strategic partner of the OEMs, the Company responds flexibly to market trends and delivers trendsetting technologies.

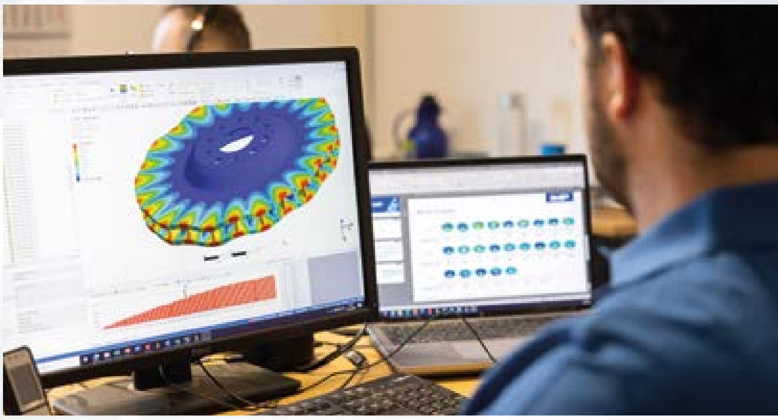
ACTIVELY SHAPING THE OPPORTUNITIES AFFORDED BY THE TRANSFORMATION

The automobile industry is undergoing radical change Stricter climate goals, laws such as “Fit for 55” and the European Green Deal are forcing both the development of alternative powertrains as well as the electrification of the existing vehicle fleet. Rising demand for mechatronic, electric and software-managed solutions requires a realignment of the entire value chain. The supplier industry is called upon to actively shape this transformation process.

In keeping with its long tradition, the company is facing these challenges in a targeted fashion with its “SHW Strategy 2023”. The focus is placed on electrification, carbon reduction, the expansion of systems competence, building up the aftermarket, and continued development of production processes and international locations. In this way, the company, as a global player, ensures its competitiveness on a dynamic market.

DIVERSE PRODUCT PORTFOLIO FOR A SUSTAINABLE FUTURE

The product portfolio of SHW comprises pumps and engine components, brake discs and the products of the powder metallurgy division – everything from high-precision mechanical and electrical pumps through to sintered parts and high-performance brake discs and integrated cooling and lubrication modules. Customers in the automobile industry, the truck and off-highway market and manufacturers of agricultural and construction machinery as well as producers of wind turbines rely on SHW’s innovative strengths.



Facilities.

GLOBAL NETWORK SECURES SHORT RESPONSE TIMES.

At nine locations worldwide, SHW team develops and manufactures innovative high-end products for all kinds of powertrains. As a reliable partner in the industry, SHW sets the benchmark for the highest quality standards for sustainable mobility – a success that is reflected in long-standing, trusting customer relationships. Regionally anchored and globally networked, the company guarantees efficient processes and rapid response times when it comes to addressing customer needs and responding dynamically to market trends.

AALEN-WASSERALFINGEN, Germany (founded 1365)

Products: Adjustment rings, rotors for variable lubrication oil pumps, camshaft phasers and balancer shafts

TUTTLINGEN, Germany (founded 1950)
Products: Integrated brake discs, lightweight pin-mounted brake discs, highly-durable coated brake discs, lightweight drum brakes

BAD SCHUSSENRIED, Germany (founded 1978)
Products: mechanical oil pumps for engines and transmissions, combined oil/vacuum tandem pumps, electrically driven oil and water pumps, balancing modules, off-highway oil pumps, thermal-management modules, battery cooling modules, fuel pumps, oil management modules

NEUHAUSEN OB ECK, Germany (founded 2001)
Products: Integrated brake discs, lightweight pin-mounted brake discs, highly-durable coated brake discs, lightweight drum brakes

SÃO PAULO, Brazil (founded 2012)
Products: mechanical and electrical oil pumps, truck and off-highway oil pumps, electric water pumps, thermal-management modules

TORONTO, Canada (founded 2014)
Products: mechanical and electrical oil pumps, truck and off-highway oil pumps, electric water pumps, thermal-management modules

KUNSHAN, China (founded 2014)
Products: mechanical and electrical oil pumps, truck and off-highway oil pumps, electric water pumps, thermal-management modules

TIMIŞOARA, Romania (founded 2017)
Products: mechanical and electrical oil pumps, truck and off-highway oil pumps, electric water pumps, thermal-management modules

HAIMEN, China (founded 2022)
Products: Lightweight pin-mounted brake discs

Team.

COMPETENT, MOTIVATED WORKFORCE IS THE KEY TO THE FUTURE.

The workforce of SHW is the solid foundation on which our business success rests. With their passion and professional knowledge, our employees are driving forward future mobility and are ensuring our competitiveness.

STRATEGIC GUIDELINE FOR WINNING AND PROMOTING NEW TALENT

A key strategic thrust of SHW HR management is active participation in job fairs. Moreover, the company offers young talent valuable insights into the various career paths by offering internships and student workplaces. In addition, SHW supports academic training by offering topics for bachelors' and masters' theses at its German and international locations.

TARGETED INVESTMENTS IN TRAINING & PERSONAL DEVELOPMENT

In the year 2024, 58 employees completed their career training at SHW. Training offers included a range of trades and technical and commercial occupations. In addition, our global tech firm constantly trains its management team using group-wide programmes and an international leadership programme that was conducted in cooperation with Pankl Racing Systems AG in 2024. The objectives of this programme were to steadily increase the pool of manpower, foster dynamism and creativity by adding new talent, communicate corporate values in parallel and reinforce the SHW team network.

COMBINATION OF DIGITAL AND PERSONAL HR INSTRUMENTS

One expression of advancing digitalisation at SHW is its learning management system which enables e-learning. The annual performance reviews are conducted in face-to-face meetings which constitute a key element of HR strategy.

FLEXIBLE WORKING CONDITIONS FOCUSSED ON EMPLOYEES

SHW offers attractive working conditions, such as performance-based compensation, numerous flexible working time models and social benefits, all in the interests of a healthy work-life balance. Employees can benefit from company bike leasing, a corporate benefit program and memberships in sport clubs. The high number of SHW employees receiving long-service awards is confirmation of our strong employee retention and their loyalty to the firm – this is also a sign of the resilience, reliability and quality of the company at all levels.

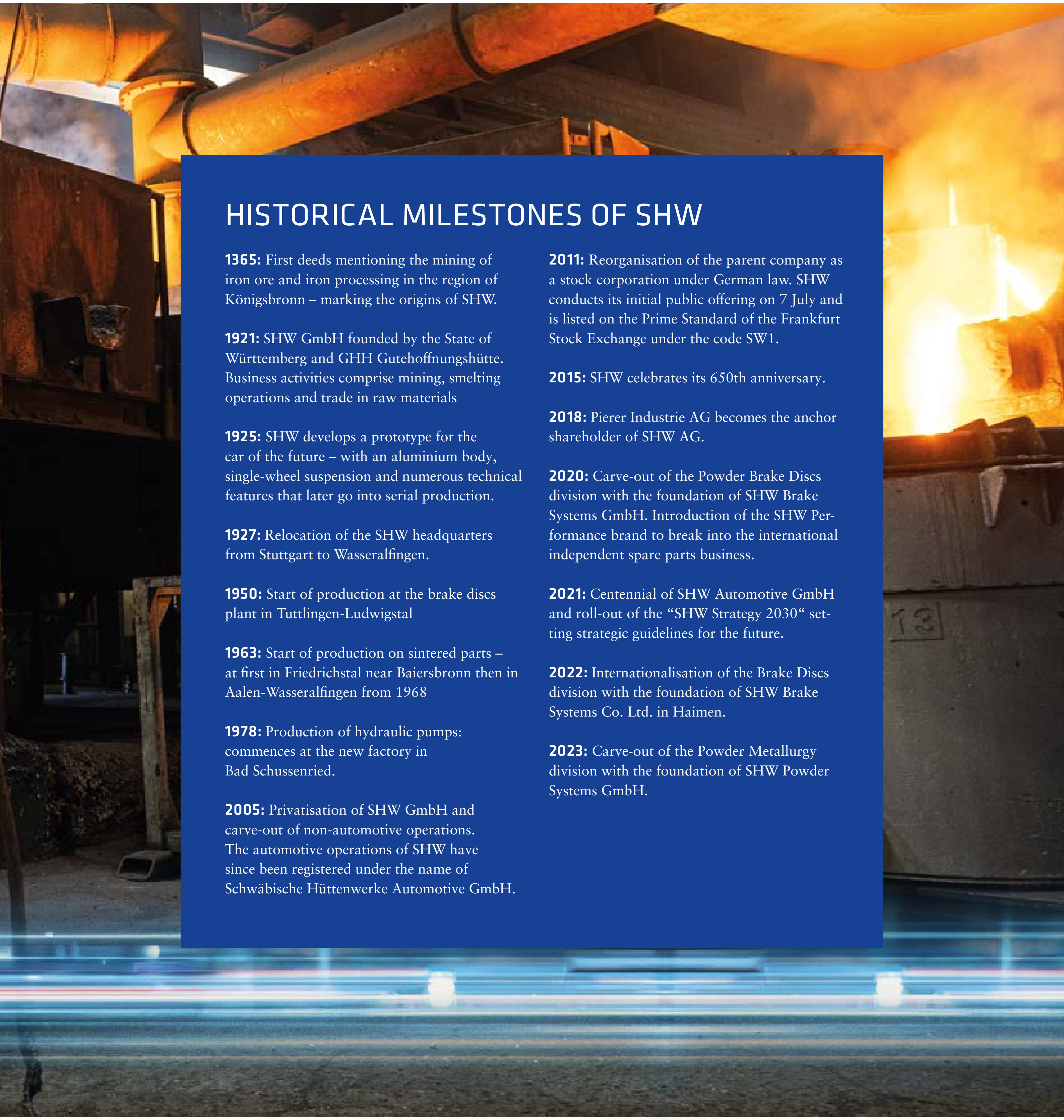




History.

A HISTORY OF SUCCESS FEATURING CONSTANT DEVELOPMENT.

Schwäbische Hüttenwerke has been in existence for over 650 years and over this time developed in-depth expertise in technology and innovation. As one of the oldest industrial companies in Germany, SHW has constantly developed by adapting dynamically to political, legal, economic and technical change. With its efficiency, consistency and reliability, the Company has continued its successful trajectory and has actively shaped the history of mobility ever since 1925. Over the centuries, SHW employees have been at the very heart of our success. They are the driving force behind the continuous stream of innovations of our company.



HISTORICAL MILESTONES OF SHW

1365: First deeds mentioning the mining of iron ore and iron processing in the region of Königsbronn – marking the origins of SHW.

1921: SHW GmbH founded by the State of Württemberg and GHH Gutehoffnungshütte. Business activities comprise mining, smelting operations and trade in raw materials

1925: SHW develops a prototype for the car of the future – with an aluminium body, single-wheel suspension and numerous technical features that later go into serial production.

1927: Relocation of the SHW headquarters from Stuttgart to Wasseralfingen.

1950: Start of production at the brake discs plant in Tuttlingen-Ludwigstal

1963: Start of production on sintered parts – at first in Friedrichstal near Baiersbronn then in Aalen-Wasseralfingen from 1968

1978: Production of hydraulic pumps: commences at the new factory in Bad Schussenried.

2005: Privatisation of SHW GmbH and carve-out of non-automotive operations. The automotive operations of SHW have since been registered under the name of Schwäbische Hüttenwerke Automotive GmbH.

2011: Reorganisation of the parent company as a stock corporation under German law. SHW conducts its initial public offering on 7 July and is listed on the Prime Standard of the Frankfurt Stock Exchange under the code SW1.

2015: SHW celebrates its 650th anniversary.

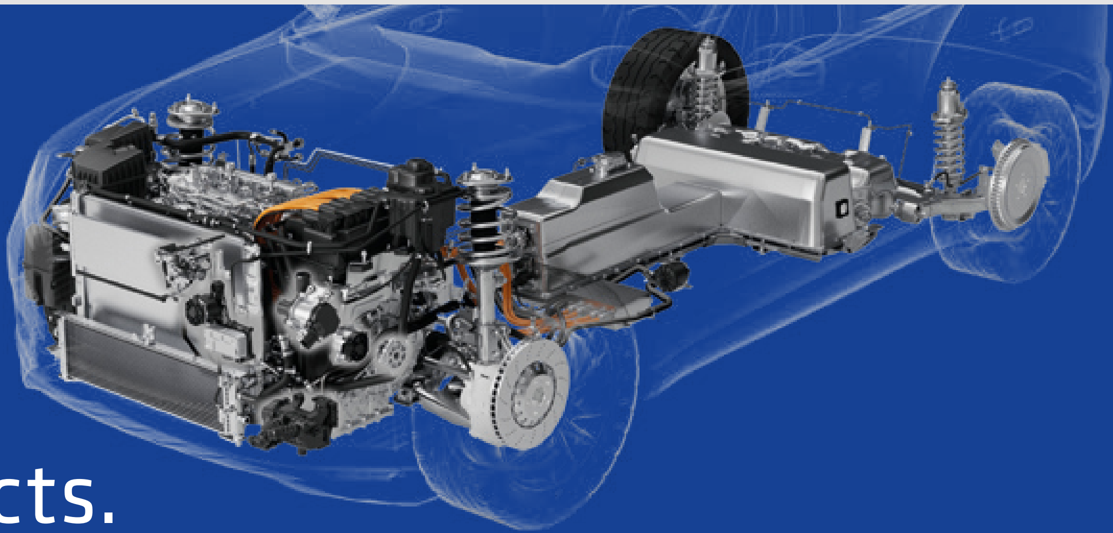
2018: Pierer Industrie AG becomes the anchor shareholder of SHW AG.

2020: Carve-out of the Powder Brake Discs division with the foundation of SHW Brake Systems GmbH. Introduction of the SHW Performance brand to break into the international independent spare parts business.

2021: Centennial of SHW Automotive GmbH and roll-out of the "SHW Strategy 2030" setting strategic guidelines for the future.

2022: Internationalisation of the Brake Discs division with the foundation of SHW Brake Systems Co. Ltd. in Haimen.

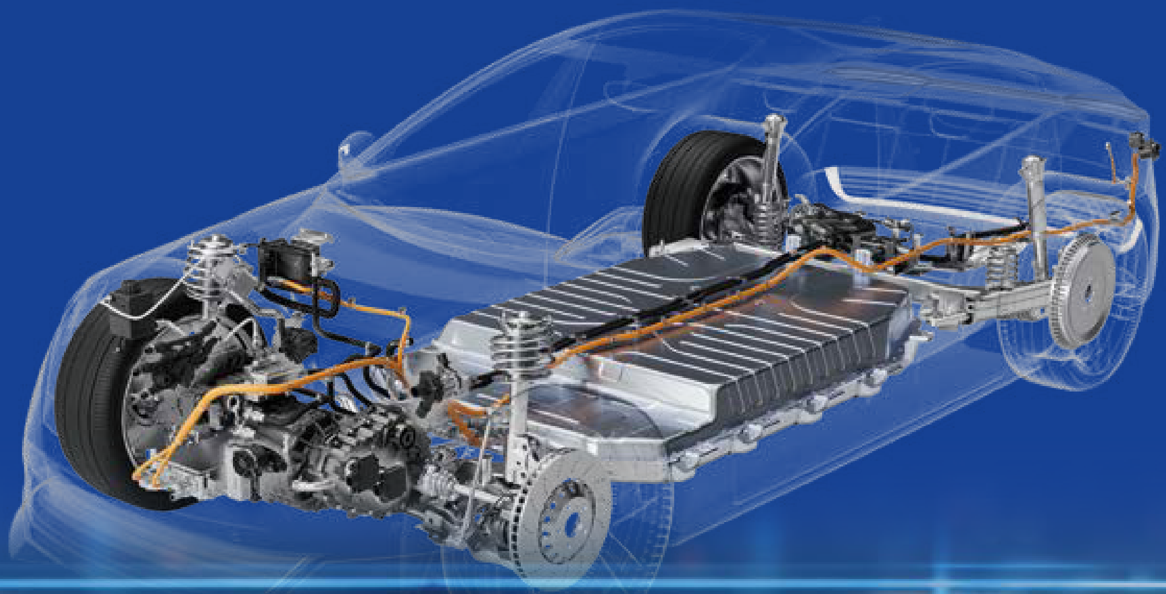
2023: Carve-out of the Powder Metallurgy division with the foundation of SHW Powder Systems GmbH.



Products.

PIONEERS OF MOBILITY – TAILORED SOLUTIONS FOR ALL KINDS OF POWERTRAINS.

SHW has long accepted the challenges facing the automotive sector that are posed by hybrid and electro-mobility and is constantly developing sustainable solutions for all kinds of powertrains. With its extensive systems competence and depth of production, the company is helping to shape the future of mobility.



FROM DEVELOPMENT TO TESTING AND VALIDATION – ALL FROM A SINGLE SOURCE

SHW offers the entire spectrum – from development through to production, testing and support: SHW creates all software and PCBAs (printed circuit board assemblies) at its own R&D centre, in line with customer specifications and functional safety requirements. Finally, a wide range of products are developed, tested and validated at our SHW test centre. With its inhouse production of numerous mechanical and electrical components, the company has extended its value chain and simultaneously its depth of production.

PUMPS AND ENGINE COMPONENTS

The Pumps and Engine Components division of SHW stands for tailored, efficient solutions aimed at enhancing dynamics and reliability. With its focus on sustainability, the division's product spectrum ranges from electrical oil pumps, water pumps, and integrated systems for cooling, heat management and lubrication – for all kinds of powertrains from ICEs through to plug-in hybrids and battery electric applications. As a global leader in top quality pumps and engine components for the automotive, commercial vehicles and off-highway industry, SHW provides top quality and functionality.

POWDER METALLURGY

The Powder Metallurgy division stands for innovative product solutions that have proven themselves in practice, from powder processing to highly durable engine components. Using the latest forming and joining technologies, SHW produces high-precision sintered parts that are used in engines, transmissions and chassis. The products range from adjustment rings and rotors through to oil pumps for engines and transmissions as well as high-density gear wheels or components for camshaft phasers. With its many years of expertise in reliable production and quality assurance processes, SHW is the technology leader in the field of developing sintered parts that reduce carbon emissions.

HIGH-PERFORMANCE BRAKE DISCS

Internationally, SHW is the global leader in the supply of brake discs that meet the highest quality standards. Whether for motor sport, luxury vehicles or series production, SHW leaves nothing to be desired when it comes to performance, weight, design and braking comfort. Ever since 1993, the company has set the benchmark in light-weight construction. The product portfolio consists of integrated brake discs, lightweight pin-mounted brake discs, highly-durable coated brake discs and lightweight drum brakes – all for top efficiency and extraordinary resilience.

Opportunities & Outlook.

INNOVATIVE & SUSTAINABLE – SHW IS SHAPING THE MOBILITY OF TOMORROW.

The SHW Group sees itself in a very dynamic industry that is facing constant changes and challenges. With its innovative solutions, constant developments and efficient processes, the company consciously exploits the opportunities arising from the trend towards electrification and the rising demand for more environmentally-friendly mobility. With a clear focus on quality, sustainability and competitiveness, SHW is perfectly positioned to succeed in future.

GROWTH OPPORTUNITIES FOR PUMPS & ENGINE COMPONENTS AND POWDER METALLURGY

As the share of hybrid and electric vehicles rises on the market, demand will grow for the e-pumps and complex modules for the cooling and lubrication of electric engines, electric axles, batteries and performance electronics as well as highly durable sintered gears supplied by the Pumps and Engine Components and the Powder Metallurgy divisions. SHW created the resources needed to address the electrification of the powertrain at an early stage, by expanding its development competence in software, hardware and electronics and setting up new functions. In addition, a new test facility has been created in recent years for electric applications and modern production standards and processes.

SUCCESSFUL INNOVATIONS IN THE BRAKE DISCS DIVISION

The Brake Discs division is benefiting from the trend towards lighter vehicle parts. With its ground-breaking light-weight composite brake disc, SHW managed to combine weight-reduction with improved braking performance. Production costs have been reduced by automating production, making refinements to composite brake discs and streamlining the portfolio, enabling more competitive offers for mid-range and premium vehicles. The introduction of the Euro 7 emissions standard also creates new growth opportunities, as SHW will contribute to the development of low emission brakes, thereby reducing their environmental impact.

In the independent aftermarket, the “SHW Performance” brand is generating additional growth worldwide, by offering high-quality brake discs as spare parts. In addition, the new brake discs production facility in Haiman has opened up additional opportunities to serve the Asian market with SHW products.

STRATEGIC EFFICIENCY GAINS – SHW ON TRACK FOR SUSTAINABLE GROWTH

Targeted efficiency programmes within the existing product portfolio offer SHW significant opportunities to continue on its successful trajectory in future.
For example, tapping into new procurement markets leads to cost savings and supply-side reliability, while constant optimisation lowers production costs and improves our competitiveness.
At the same time, continuous development of existing products makes them more resilient, improves their quality and extends their longevity, which fosters customer loyalty and strengthens our market position. These measures not only foster profitability but also support the strategic alignment of the company for the long-term.

With its innovative product portfolio that covers all kinds of powertrains, SHW believes it is perfectly positioned in the markets for light vehicles, engines and transmissions.

REPORT OF THE SUPERVISORY BOARD

General remarks

The automobile sector continued to undergo extensive transformation in the year 2024, presenting our group of companies with major challenges in a demanding market environment. This transformation featured technological innovation, geopolitical developments and changing market requirements.

The Supervisory Board advises and monitors the Management Board with regard to its management of the operating business and especially the ongoing implementation of the strategy to consistently focus on creating a foundation for long-term success. We continue to expand our portfolio of electrified and low-carbon products and accompany our customers as they navigate the transformation process. SHW AG remains on track, even in times of fundamental change. We are shaping the technological transformation, even in difficult times, with decisiveness, courage, passion and professional excellence.

In the reporting year 2024, the Supervisory Board fulfilled its duties as required by law, the Articles of Association and the Rules of Procedure. In the process it addressed the position of the Company, monitored the Management Board on a day-to-day basis and stood at its side in an advisory capacity.

The Management Board regularly, promptly and comprehensively informed the Supervisory Board in both writing and orally about all relevant issues related to corporate strategy, planning, business development, the risk position, risk management and compliance, and involved it in all decisions of particular significance. In addition, the Management Board reported extensively to the regular meetings of the Supervisory Board where such matters as business developments, planning and corporate strategy were discussed in joint session. The members of the Supervisory Board also remained in contact with the Management Board outside the regular meetings of the board. In this way, the Supervisory Board was promptly informed of the latest business developments and any significant transactions at all times.

In those cases where the approval of the Supervisory Board or one of its committees was required by the law, the Articles of Association and/or the Rules of Procedure, a corresponding resolution was passed. In addition to the information provided orally, written explanations were prepared by the Management Board, where needed, containing the information required for decision-making on those measures requiring the approval of the Supervisory Board.

During the reporting period the Supervisory Board carefully reviewed the reports of the Management Board and the draft resolutions prepared for meetings and discussed these in detail at the meetings. Other than the documents provided to the

Supervisory Board, there was no need to inspect other documents of the Company during the reporting period.

Generally, the Supervisory Board only passes resolutions at its meetings. If needed, resolutions are also passed outside of meetings in the course of video conferences or in circulation proceedings. Moreover, when needed, the Supervisory Board meets without the Management Board in attendance.

Meetings of the Supervisory Board and main points on the agenda

There were four ordinary meetings of the Supervisory Board conducted in a hybrid format (i.e. with some members in physical attendance and others attending via video conference) or as purely video conferences. One resolution was passed by the Supervisory Board using written circulation proceedings.

The Supervisory Board was comprehensively informed about all relevant issues related to the transformation, price trends and interest rates, liquidity planning, corporate strategy, other planning, business developments, the risk position, risk management and compliance within the SHW Group by the Management Board in the form of both written and oral reports at the ordinary meetings in the year 2024 which were held on 22 March, 25 June, 10 September and 6 December 2024. Among other items, the Management Board explained the sales and earnings trends of the SHW Group and detailed the business development of the individual divisions taking account of the respective competitive environment.

Other recurring matters discussed at the meetings of the Supervisory Board were the implementation and further development of the strategic objectives, the planning of the SHW Group and the business development of the Pumps and Engine Components, Brake Discs and Powder Metallurgy divisions.

In particular, the Supervisory Board informed itself about the measures defined by the Management Board to reduce costs and restructure the company and the major investments planned for 2024. Furthermore, it regularly obtained reports on personnel matters and agreed to the organisational changes to the Supervisory Board of SHW AG and the appointment of two authorised signatories. Regular reports were also made on risk management and quality assurance. Thereafter the Supervisory Board discussed the budget submitted by the Management Board for the year 2025 and addressed the mid-range planning in great detail. It approved the sale or long-term lease of a portion of the property owned by SHW Powder Systems GmbH and the adjustment to the pensions paid to current pensioners and vested entitlements from 2025 onwards.

At the Supervisory Board meeting to discuss the annual financial statements, the Supervisory Board approved both the separate financial statements and the consolidated financial statements and group management report of SHW AG for the year ended 31 December 2023 and drafted proposed resolutions for the items on the agenda of the ordinary annual general meeting on 7 May 2024 as well as a resolution on the report of the Supervisory Board for fiscal year 2023. It also passed resolutions granting discharge to the general managers of the subsidiaries.

Audit of the financial statements

The consolidated financial statements prepared in accordance with IFRSs, as endorsed by the European Union, as well as the group management report for the fiscal year 2024 were audited by the external auditor, KPMG AG Wirtschaftsprüfungs-gesellschaft, 89073 Ulm, who issued an unqualified audit opinion thereon.

As the signatories of the independent auditors' reports, Dr. Katja Faul and Ms. Anna Walter bear responsibility for the audits of the consolidated financial statements of SHW AG for this period. The audit firm assigned to audit the consolidated financial statements is engaged for the duration of one fiscal year in each case.

The Supervisory Board examined in detail the separate financial statements of SHW AG for fiscal year 2024, prepared in accordance with HGB, and the consolidated financial statements and the group management report. All of the financial reporting documents as well as the audit reports issued by the external auditor were provided to the members of the Supervisory Board in good time. The consolidated financial statements and the separate financial statements of SHW AG as well as the group management report were discussed in depth, at first in the Audit Committee and thereafter by the full Supervisory Board. The external auditors attended the meetings of the Audit Committee and the meetings of the full Supervisory board. They reported on the significant results of their audit. Moreover, the external auditors described the scope, focus and costs of the audit.

There were no circumstances that indicated the external auditor was biased in any way. The external auditor confirmed its independence in a declaration made to the Audit Committee.

The Supervisory Board approved the findings of the external audit and, after its own review, came to the conclusion that it had no objections to raise. The separate financial statements of SHW AG compiled by the Management Board were approved by the Supervisory Board. Likewise, the Supervisory Board approved the consolidated financial statements and group management report audited by the independent auditor. The annual financial statements were thereby adopted. The financial statements of SHW AG for fiscal year 2024 report a net loss for the year. Consequently, the Management Board did not make any proposal for the appropriation of profits.

Review of the Management Board's Report on Relations with Affiliated Companies

Pankl AG, Kapfenberg, Austria – a subsidiary of Pierer Industrie AG, Wels, Austria – held 89.0 per cent of the voting rights in SHW AG and thus a majority of the voting rights, as at 31 December 2024. Pierer Industrie AG itself held another 4.6 per cent of the voting rights, making for a sum total of 93.6 per cent of the voting rights.

The Management Board has therefore drawn up a report for the past year on its relations to affiliated companies (dependent company report) in accordance with Section 312 AktG.

The Supervisory Board reviewed the dependent company report of the Management Board and approved it in accordance with Section 314 AktG. After concluding its review, the Supervisory Board did not have any objections to the dependent company report and the final declaration of the Management Board it contains.

Composition of the Management Board and Supervisory Board

There was no change to the composition of the Management Board in the 2024 reporting year.

The following change was made to the composition of the Supervisory Board in the reporting year 2024:

Isni Aliji stepped down from the Supervisory Board SHW AG, which took effect upon the close of the ordinary Annual General Meeting in 2024. Mr. Karl Holzner took his place on the Supervisory Board effective 7 May 2024.

The Supervisory Board would like to thank all the members of the Management Board and Supervisory Board as well as all employees for their dedication and their efforts in a very extraordinary year, as they enabled the business of SHW AG to remain stable despite the circumstances.

Aalen, 20 March 2025

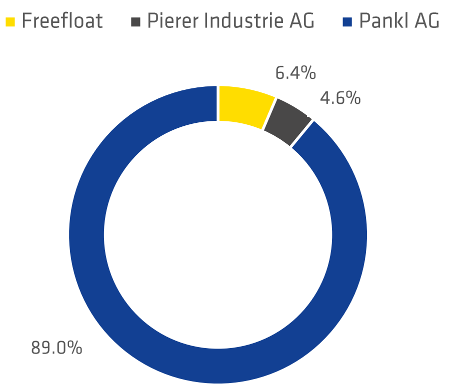
Yours sincerely,

On behalf of the Supervisory Board

Klaus Rinnerberger
Chairman of the Supervisory Board

THE SHW SHARE

With a stake of 89.0 per cent in issued capital and the voting rights, Pankl AG is the majority shareholder of SHW AG. It is a subsidiary of Pierer Industrie AG. Pierer Industrie AG itself directly holds 4.6 per cent of the subscribed capital with the associated voting rights.



31st December 2024

Please do not hesitate to request any further information which you may require. SHW Investor Relations looks forward to hearing from you.

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GROUP MANAGEMENT REPORT OF SHW AG

GROUP MANAGEMENT REPORT

BACKGROUND OF THE SHW GROUP

Business model of the Group

The SHW Group focuses its business on developing and manufacturing products which help to reduce fuel consumption and therefore CO_2 emissions in the automotive sector. Most of its sales[1] are generated in business with major manufacturers of passenger cars, commercial vehicles, agricultural machines and construction machines as well as with other automotive suppliers. The group currently has nine facilities in five countries.

Organisational structure of the Group

The organizational structure of the Group is as follows:

- Pumps and Engine Components
- Powder Metallurgy
- Brake Discs

As the management holding, SHW AG performs shared services for the Group. These include finance and accounting, taxes, controlling, legal affairs, human resources and investor relations.

Pumps and Engine Components

Pumps and Engine Components is the SHW Group's largest division and has production and development facilities in the strategically relevant automobile markets of Europe, China, North America and South America.

Pumps and Engine Components breaks down into two divisions: The Passenger Car division focuses on the production of variable engine oil pumps, transmission oil pumps, oil and vacuum pumps with or without balancing shafts, e-pumps for cooling and lubrication applications and thermal management systems. The second, Truck & Off-Highway, based at the Bad Schussenried facility, produces engine oil, transmission oil and fuel pumps for trucks, agricultural and construction machinery, stationary engines and wind turbines.

PUMPS & ENGINE COMPONENTS		POWDER METALLURGY	BRAKE DISCS
BAD SCHUSSENRIED / TIMIŞOARA / KUNSHAN / SÃO PAULO / TORONTO		AALEN-WASSERALFINGEN	TUTTLINGEN-LUDWIGSTAL / NEUHAUSEN / HAIMEN
Passenger Cars	Truck & Off-Highway	Powder Metallurgy	
Engine oil pumps	Engine oil pumps	Sintered steel or aluminium components for camshaft phasers	Unprocessed monobloc ventilated brake discs
Transmission oil pumps	Transmission oil pumps	Gear sets	Ready-to-install monobloc ventilated brake discs
Oil-/ vacuum pumps with / without balancer shaft	Fuel pumps	Sintered components for engines and transmissions	Composite brake discs
E-pumps	E-pumps		

Powder Metallurgy

The Powder Metallurgy division at the Aalen-Wasseralfingen facility produces sintered engine and transmission components. The product portfolio comprises chain wheels and rotors for variable oil pumps offering reduced consumption, camshaft phasers out of steel and aluminium powder and geared balancer shaft systems. Powder Metallurgy supplies both external customers as well as the Pumps and Engine Components division.

Brake Discs

The Brake Discs division develops and produces monobloc ventilated cast iron brake discs and lightweight brake discs (known as "composite brake discs") which consist of a combination of an iron friction ring and an aluminium pot. The Company's own foundry is situated at Tuttlingen-Ludwigstal, while its brake discs are processed nearby at Neuhausen ob Eck. SHW Brake Systems (Nantong Haimen) Co. Ltd., China was founded in the year 2022. In future, brake discs will be produced

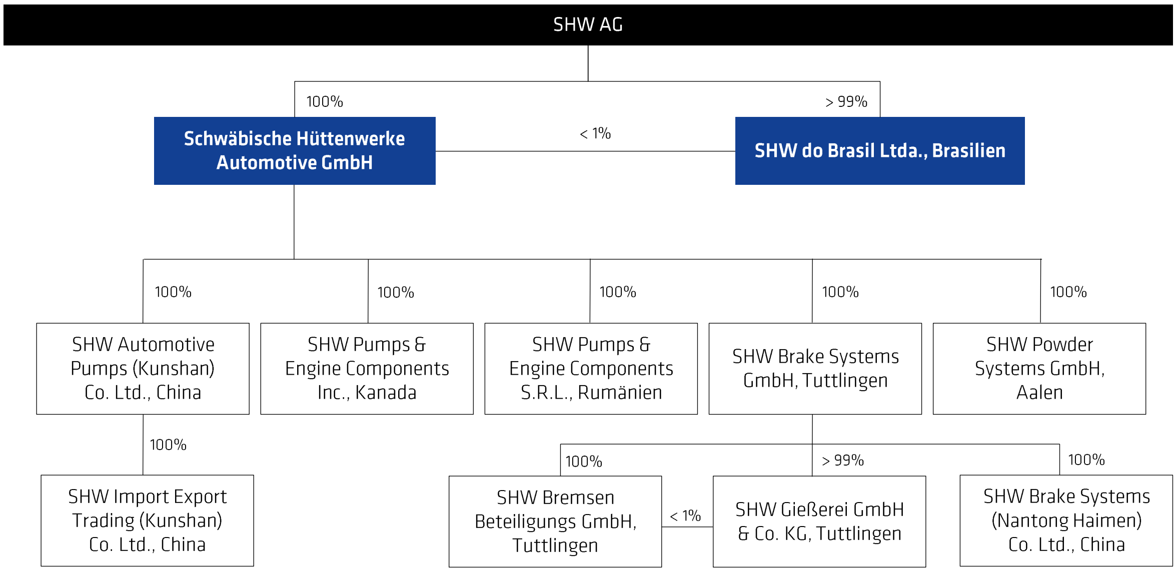
[1]The terms "sales" and "revenue" are used synonymously.

in Haimen for the Asian market. This company had not yet commenced operations in the year 2024.

Legal structure

SHW AG is the parent and holding company of the SHW Group and holds all the shares in SHW Automotive GmbH with its registered offices in Aalen with a branch in Wilhelmshütte (Bad Schussenried). SHW Brake Systems GmbH in Tuttlingen (Ludwigstal), with its second-tier subsidiaries, SHW Gießerei GmbH & Co. KG, SHW Bremsen Beteiligungs GmbH and SHW Brake Systems (Nantong Haimen) Co. Ltd. (hereinafter referred to as "Haimen"), is a wholly-owned subsidiary of SHW Automotive GmbH. The Powder Metallurgy division was spun off into its own legal entity in the year 2023 effective 1 January 2023. SHW Powder Systems GmbH is a wholly-owned subsidiary of SHW Automotive GmbH. Likewise, SHW Import & Export Trading (Kunshan) Co., Ltd. (China) was founded on 1 June 2023 as a wholly-owned subsidiary of SHW Automotive Pumps (Kunshan) Co. Ltd., China. The Group's shareholdings are presented in the following chart. The operating activities are conducted by SHW Automotive GmbH and its subsidiaries as well as by SHW do Brasil Ltda.

OVERVIEW OF GROUP SUBSIDIARIES

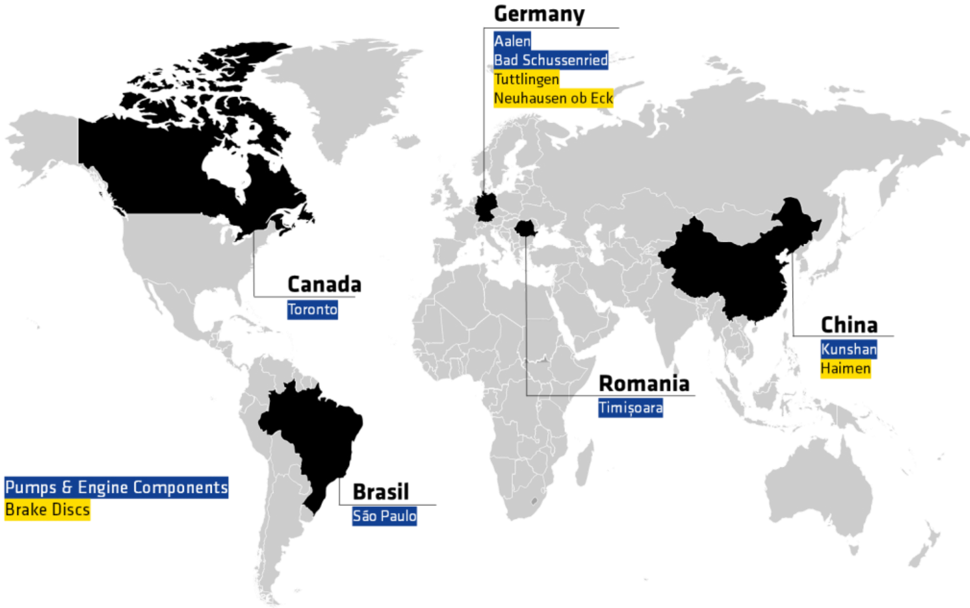


Sales markets

The business of SHW AG is significantly influenced by the production of light vehicles (vehicles of less than 6 tonnes) and the related production of engines and transmissions in Europe, China, North America and South America. More information can be found in the section on the Industry environment.

External factors

Climate protection is one of the most important political objectives of the European Union. It is pursuing the goal of climate neutrality by 2050, as laid out in the "Fit for 55" strategy and the European Green Deal. Stricter emission limits for cars and light vehicles including the planned ban on new ICE-powered vehicle registrations starting in 2035 require substantial adaptation on the part of manufacturers and their suppliers. Tighter emissions are also being introduced in other important automobile markets, such as the United States and China. At the same time, investments are being made in alternative drives, charging infrastructure and sustainable production methods.



Control parameters

The Management Board of SHW AG uses various instruments to assess the Company's current business development and for related future strategic and investment decision-making. The goal is to exploit economic and commercial potential to the greatest extent possible.

The business activities of the SHW Group focus on the sustainable increase of its enterprise value and on capital-efficient growth. In addition to sales, the most significant financial performance indicators used for the internal management of the SHW Group are EBITDA (defined as consolidated earnings before interest, tax and depreciation of property, plant and equipment and amortisation of intangible assets including any impairments) and the EBITDA margin (EBITDA divided by Group sales). This measures the quality of sales trends and indicates the level of efficiency achieved in the management of the operating business. The operating result (EBIT) shown in the consolidated income statement is used as the initial value for the calculation of EBITDA. Furthermore, ROCE (return on capital employed) is firmly anchored in internal management. Consequently, the SHW Group constantly monitors and steers the key factors affecting ROCE (defined as EBIT divided by average capital employed). Besides earnings indicators, liquidity-related indicators are highly significant. Furthermore, SHW's control system also includes financial management indicators. The net working capital ratio is of particular relevance for the Group.

As well as financial goals, the SHW Group also considers a series of non-financial goals. Customer satisfaction plays a key role in the Group's long-term success. SHW's employees provide the Company's customers with optimal support and offer tailored solutions. The goal is to maintain and keep improving the Company's high level of customer satisfaction. Consistently high quality products and adherence to logistics schedules is a prerequisite for a high level of customer satisfaction. Our quality management system ensures that our pumps and engine components, our sintered parts and our brake discs are delivered fault-free to our customers.

SHW's objective is to maintain the Company's high level of quality and even realise further improvements. We aim to be the global supplier of choice for current customers and for potential new customers.

Employees

Headcount down on the previous year

Our workforce is the foundation of our success, both today and tomorrow.

The human resources strategy derived from our corporate goals places the focus on our employees. Correspondingly, we offer interesting jobs that will remain viable in future, giving the employees a secure perspective and the opportunity to help shape the future of the company.

We offer a broad portfolio of basic and advanced training to all employees to facilitate their personal development.

At a total of 1,812, the average headcount of the SHW Group in the fiscal year was down by 14 on the level of the previous year (1,826).

Winning new talent

Winning new talent and promoting it is a key feature of our HR strategy for addressing the impact of demographic change.

SHW advertises itself as a great place for apprenticeships at regional career fairs, offering young talent the opportunity to familiarise themselves with the company in internships or student traineeships. In addition, within the framework of our university recruiting program we offer students the opportunity to write their Bachelor's or Master's theses at one of our German or international locations.

School-leavers can choose from a wide variety of trades, technical careers or commercial occupations when it comes to an apprenticeship. As an annual average, 58 apprentices completed their vocational training at SHW in the year, three more than in the previous year.

Personal and organisational development adds an international aspect to management training

In addition to the established group-wide management and personal development programs, the international leadership program was carried out jointly with our affiliate Pankl Racing Systems AG, Kapfenberg, Austria. The goal is to communicate values across the entire group and drive the creation of a global network.

We implemented a learning management system in the course of driving forward the digital transformation of HR processes. Numerous e-Learning sessions have already been created internally and provided to the employees.

The annual performance review is a fixed item of our corporate culture. In order to provide maximum transparency, we document these interviews in digital form in Talentsoft.

Employee retention

SHW offers its employees attractive working conditions. Our involvement in the collective bargaining agreements already ensures that our employees receive attractive compensation and a range of social benefits. Moreover, by offering mobile working solutions, individual part-time models and the use of flexitime, we have laid the foundation for a work-life balance.

In addition to the company bike leasing program, employees have the opportunity to participate in the corporate benefits program and join sports clubs or use childcare facilities, depending on their location.

Employee satisfaction can be measured on the high number of long-service awards we have the honour of presenting to employees each year for their many year's of loyalty to the firm.

Research and development

Electrically driven pumps and modules for engine and transmission applications as well as electrically powered axles

Two trends have emerged in powertrain development for automobiles and commercial vehicles:

The first is the development of new purely electrically-powered axles for battery electric vehicles (BEV) and, to a lesser extent, fuel-cell electric vehicles (FCEV).

The second is the optimisation of traditional ICE powertrains, primarily for use in plug-in hybrids and in internal combustion engines that use hydrogen as a fuel.

In addition to developing the existing product portfolio, which consists of oil pumps, low-pressure pumps and fuel pumps for internal combustion engines, automatic transmissions and hybrid powertrains, SHW is focussing its activities on the development of electrically-powered oil and water pumps as well as complete thermal management modules that can be used in electric and hybrid powertrains.

The performance of electric pumps can be regulated, depending on engine speed, vehicle velocity or operating conditions. It therefore constitutes an additional element in the suite of tools used to optimise the overall efficiency of the powertrain. In addition to electrically powered oil and water pumps, thermal management modules can also include such elements as filter elements, heat exchangers and sensors and perform the cooling and lubrication function of electrical axles and battery systems.

High-performance sintered components for new applications

The evolution of vehicle powertrains necessitates both the refinement of existing products but also newly developed sintered components. The Powder Metallurgy division researches and improves the processes used for local surface densification to create high-strength gearwheels and highly durable components. SHW is working on tailoring its materials and finding efficient methods and innovative lightweight solutions to address new challenges.

Innovation in lightweight and low-emission brake discs

The Brake Discs division has been researching lightweight construction for years. As early as 1994, SHW produced the first composite brake disc, which was built into the BMW M5. The idea behind the composite brake disc is to separate the actual brake friction ring from the “pot”, and to produce the pot using aluminium, which affords a weight reduction of up to eight kilogrammes per vehicle. This means a reduction in the unsprung and rotating masses which positively influences the vehicle’s driving dynamics while also reducing fuel consumption and CO_2 emissions as well as increasing the range of electric vehicles. The focus of development activities lies on the development of cheaper lightweight brake disc concepts to counter the cost pressure on the market.

Meeting the legal requirements in terms of particulate emissions generated during braking has been in the focus of the research and development activities conducted by the Brake Discs division for a number of years. By coating brake discs to create a durable friction surface, it is possible to significantly reduce emissions in future.

In addition, SHW researches and develops technical solutions within the framework of predevelopment and basic research projects to examine such trends as the growing demands placed on future brake discs from electrification.

Intellectual property safeguarded on a long-term basis

The SHW Group protects its intellectual property relating to pump components, brake discs, alloys and sintered metal parts by maintaining numerous IP rights, such as patents, utility models and design patents, as well as filing for new ones. The intellectual property is primarily registered in Europe, North America and Asia. In isolated cases, the IP rights are held jointly with the customer, but in these cases the rights can be used by either party without restriction.

BUSINESS REPORT

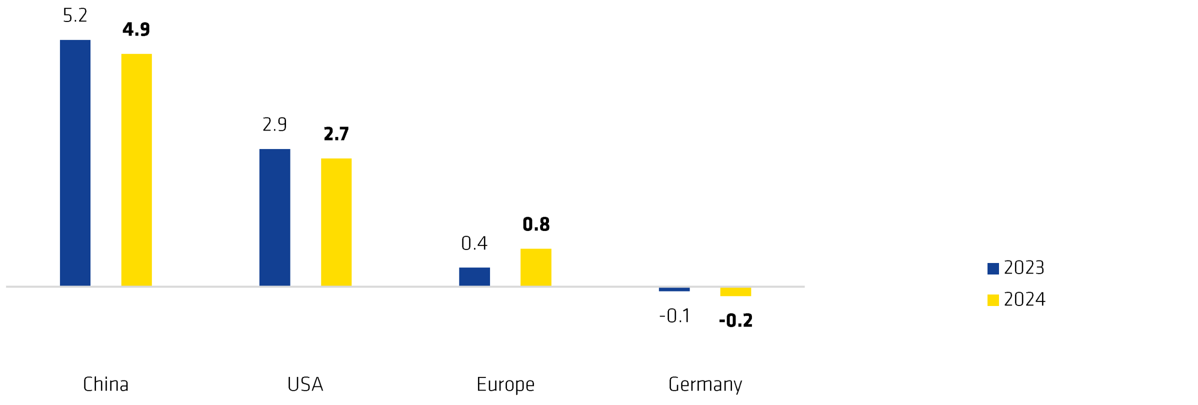
Macroeconomic environment

The global economy at a glance

The global economy grew by roughly 3.2 per cent in the year 2024. The United States recorded solid growth of 2.7 per cent, while the euro zone only lay slightly above the previous year, with growth of 0.8 per cent, below expectations. China is battling with an economic downturn caused by the crisis on the real estate sector and falling consumption. Global challenges, such as the continuing war in Ukraine and economic uncertainties are placing an additional burden on the global economy.

The German economy contracted in 2024 for the second year in succession, falling into recession once again, with its GDP slipping by 0.2 per cent. After a phase of stability, the ECB decided to cut the key lending rates in June 2024 for the first time after a succession of rate hikes. This decision marks the beginning of a phase of fiscal easing that is aimed at stimulating economic activity in the euro zone. However, high energy costs and increasing competition on export markets continue to dampen the recovery. In addition, the expected boom in consumption failed to materialize as many households continue to save.

GDP GROWTH BY REGION IN %



Source: IHS – Februar 2025

Industry environment

The business of SHW AG is significantly influenced by the production of light vehicles (vehicles of less than 6 tonnes) and the related production of engines and transmissions in Europe, China, North America and South America.

Global automobile production down on the previous year

According to data from S&P Global (IHS Markit), an information service provider, production of light vehicles of less than 6 tonnes declined by 1.1 per cent worldwide in 2024, falling from 90.5 million in the previous year to 89.4 million units.

China recorded a production volume of 30.1 million vehicles, representing growth of 3.8 per cent on the previous year.

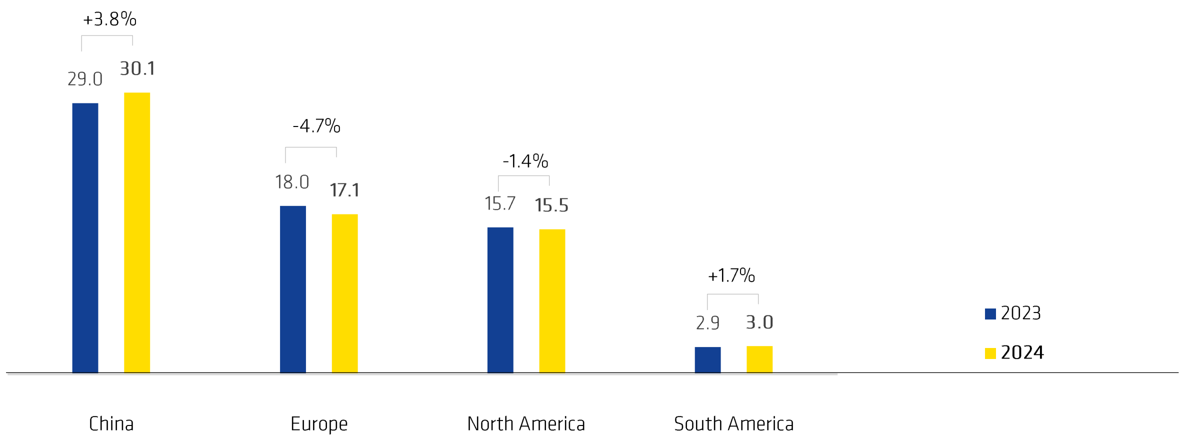
In **Europe**, production came to 17.1 million, a decrease of 4.7 per cent. In Germany, automobile production slipped from 4.3 million units to 4.2 million units, a decrease of 1.2 per cent. In Romania, by contrast, growth of 8.7 per cent was recorded to 0.6 million units.

In **North America** the production volume of light vehicles sank from 15.7 million units to 15.5 million units (1.4 per cent). In **South America**, by contrast, production grew by 1.7 per cent, most of which was generated in Brazil (8.0 per cent).

Production of hybrid plug-ins and battery-electric vehicles outstrips diesel car production for the first time

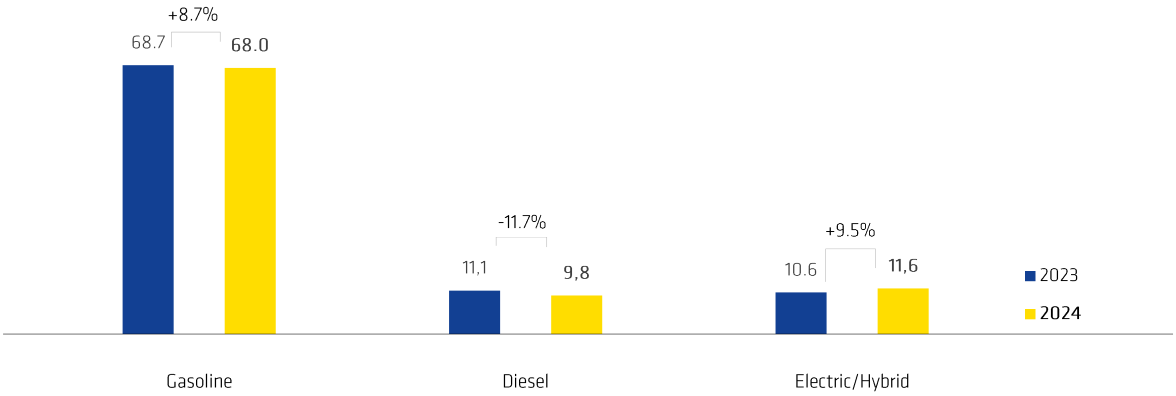
In comparison to the previous year, production of gasoline engines sank by 1.1 per cent worldwide to 68.0 million units. Production of diesel engines recorded a fall of 11.7 per cent. Hybrid and electric engines, by contrast, grew once again by 9.5 per cent to 11.6 million units, outperforming the production volume of diesel engines by 1.8 million units for the first time. As a result, their market share rose to 13.0 per cent in the year 2024.

LIGHT VEHICLE PRODUCTION BY REGION (IN M UNITS)



Source: IHS – February 2025

ENGINE PRODUCTION WORLDWIDE (IN M UNITS)



Source: IHS – February 2025

Goal attainment 2024

The budget for fiscal year 2024 had forecast a slight increase in revenue for the SHW Group overall, with a slight decline in the Pumps and Engine Components and Powder Metallurgy divisions and a significant rise in sales anticipated for the Brake Disks division.

With sales of € 519.0 million, the revenue of the SHW Group lay 2.6 per cent below the previous year. The Pumps and Engine Components segment generated sales of € 304.6 million in 2024, down 4.8 per cent on the sales of the previous year. The Powder Metallurgy division managed to increase its sales rose by 2.0 per cent to € 83.3 million. In the Brake Discs division, sales fell by 3.2 per cent to € 161.4 million.

In the 2023 group management report, EBITDA and the EBITDA margin were forecast to rise rapidly in fiscal year 2024 for the SHW Group. The Pumps and Engine Components division expected a moderate increase in EBITDA and the EBITDA margin. By contrast, the Powder Metallurgy division projected a significant decrease in EBITDA and a moderate decline in the EBITDA margin. In the Brake Discs division, strong growth was expected in both the EBITDA and EBITDA margin.

The EBITDA recorded by the SHW Group in fiscal year 2024 is down 11.1 per cent on the previous year. The EBITDA margin amounts to 7.3 per cent and and is therefore down 8.0 per cent on the previous year. The Pumps and Engine Components division generated an EBITDA of € 26.2 million, up on the previous year figure of € 21.3 million. The EBITDA margin increased from 6.7 per cent to 8.6 per cent. The Powder Metallurgy division recorded EBITDA of € 9.1 million, down on the EBITDA of the previous year of € 11.0 million. The EBITDA margin decreased from 13.5 per cent to 10.9 per cent. The EBITDA generated by the Brake Discs division came to € 5.2 million, down on the figure of € 12.7 million generated in the previous year. The EBITDA margin amounted to 3.2 per cent and and is therefore below the 7.6 per cent recorded in the previous year.

Course of business

Financial performance

Sales down 2.6 per cent on the previous year

Sales amounted to € 519.0 million in 2024, 2.6 per cent below the previous year's figure of € 532.9 million. This decrease is primarily due to volume effects.

Cost of sales ratio up on the previous year

The cost of sales decreased to € 458.7 million (previous year € 459.7 million). At 88.4 per cent (previous year 86.3 per cent) the cost of sales ratio is up on the previous year. This can be attributed to inefficiencies in one of the divisions. The gross margin (defined as gross profit divided by sales) slipped to 11.6 per cent (previous year 13.7 per cent).

Decrease in selling expenses and general administrative expenses in comparison to the previous year

Selling expenses in fiscal year 2024 decreased on the previous year, falling by € 1.9 million to € 16.4 million. The ratio of selling expenses to sales comes to 3.2 per cent, roughly at the same level as the previous year (3.4 per cent). General administrative expenses decreased by € 5.0 million to € 25.7 million. The ratio of general administrative expenses to sales sank from 5.8 per cent to 5.0 per cent.

Ratio of R&D expenses on a par with the previous year

Research and development costs of € 13.5 million expensed through profit and loss in fiscal year 2024 match the level of the previous year. In addition, development costs of € 4.0 million (previous year € 5.1 million) were recognized as internally-generated intangible assets. This includes project costs that are likely to be amortised because series production is likely to start in the near term. They also include the costs of basic product developments. The ratio of R&D expenses (including capitalised development costs) to sales of 3.4 per cent (previous year 3.5 per cent) remained at the level of the previous year. Amortisation of capitalised development costs amounted to € 2.7 million in fiscal year 2024 (previous year € 2.5 million). As in the previous year, no impairment losses were recorded in fiscal 2024. Additional development services were billed within the scope of individually contracted customer orders. The core area of development in the Pumps and Engine Components division consists of electrically-driven oil and water pumps and complete thermal management modules.

Other operating income and expenses

At € 2.1 million, the net balance of other operating income less other operating expenses is positive and therefore up on the level of the previous year of € -0.4 million.

KEY PERFORMANCE INDICATORS: SHW GROUP

K EUR	2024	2023	Change %
Sales	518,950	532,860	-2.6%
EBITDA	38,133	42,878	-11.1%
as % of sales	7.3%	8.0%	-
Operating result (EBIT)	6,771	10,364	-34.7%
as % of sales	1.3%	1.9%	-
Net profit	-4,405	-886	-397.0%
Equity	118,472	123,944	-4.4%
Equity ratio	31.8%	33.0%	-
Net working capital	68,651	64,837	5.9%
as % of sales	13.2%	12.2%	-
Investments	43,965	37,127	18.4%
as % of sales	8.5%	7.0%	

EBITDA below the figure of the previous year

Consolidated earnings before interest, taxes, depreciation and amortization, including impairment losses, came to € 38.1 million in fiscal year 2024 (previous year € 42.9 million). At 7.3 per cent, the EBITDA margin is below the previous year's figure of 8.0 per cent.

At € 31.4 million, depreciation and amortisation was € 1.2 million or 3.5 per cent lower than in the same period of the previous year.

The result of operations (EBIT) of € 6.8 million is down € 3.6 million on the level of the previous year. The EBIT margin amounts to 1.3 per cent, compared to 1.9 per cent in the previous year.

The reduction in EBITDA and the EBIT margin can be attributed to inefficiencies in one of the business divisions. Countermeasures have already been taken.

Higher financial expenses

The net financial result comes to a net expense of € 9.1 million (previous year a net expense of 7.9 million). The increase of € 1.2 million is chiefly attributable to higher interest expenses on account of the rise in liabilities to banks.

Tax rate at -86.5 per cent

Income taxes amounted to € 2.0 million in fiscal 2024 (previous year € 3.3 million). The SHW Group's tax rate amounted to -86.5 per cent for fiscal year 2024, compared to 136.5 per cent in the previous year. This change is mainly due to the non-recognition of deferred tax assets recognised on unused tax losses of € 2.9 million.

Net result of the Group below the previous year

The net loss of the Group deteriorated by € 3.5 million to € -4.4 million (previous year € -0.9 million). Earnings per share come to € -0.68 compared to € -0.14 in the previous year. The weighted average number of shares used to calculate earnings per share remained unchanged on the previous year at 6,436,209 shares.

Business Divisions

Pumps and Engine Components

Sales at € 304.6 million

The Pumps and Engine Components segment generated sales of € 304.6 million in 2024, down 4.8 per cent on the sales of the previous year (€ 319.8 million).

EBITDA of € 26.2 million, EBITDA is significantly above the previous year's figure of € 21.3 million. The EBITDA margin improved from -4.0 per cent (previous year) to 8.6 per cent in fiscal year 2024.

Powder Metallurgy

Sales at € 83.3 million

The Powder Metallurgy division generated sales of € 83.3 million in 2024 (of which € 52.9 million was generated from sales to external customers and € 30.4 million in internal sales), and is therefore up 2.0 per cent on its sales of the previous year (€ 81.6 million).

At € 9.1 million, EBITDA is down on the previous year's figure of € 11.0 million. The EBITDA margin sank from 13.5 per cent (previous year) to 10.9 per cent in fiscal year 2024.

Brake Discs

Sales at € 161.4 million

The sales of the Brake Discs division dipped by 3.2 per cent in 2024 to € 161.4 million (previous year € 166.8 million).

EBITDA decreased from € 12.7 million in the previous year to € 5.2 million. The EBITDA margin sank from 7.6 per cent to 3.2 per cent.

Central functions

The EBITDA of central shared services that cannot be allocated to any of the operating divisions came to € -2.2 million, matching the level of the previous year (€ -2.1 million).

Financial position

NET ASSET POSITION

K EUR	2024	2023	Change absolute	Change %
Non-current assets	**216,729**	**211,747**	**4,983**	**2.4%**
of which other intangible assets	22,717	22,154	563	2.5%
of which property, plant and equipment	181,837	167,562	14,275	8.5%
thereof deferred tax assets	2,172	10,490	-8,318	-79.3%
of which other (financial) assets	2,949	4,486	-1,537	-34.3%
Current assets	**155,883**	**164,112**	**-8,229**	**-5.0%**
of which inventories	82,468	79,654	2,814	3.5%
of which trade receivables	50,603	54,920	-4,316	-7.9%
of which cash and cash equivalents	11,463	15,621	-4,158	-26.6%
Total assets	**372,612**	**375,859**	**-3,247**	**-0.9%**

Total assets decreased by 0.9 per cent

At the end of the fiscal year 2024 total assets were down 0.9 per cent on the previous year, a decline of € 3.2 million.

Sundry other intangible assets remained on a par with the previous year in fiscal 2024.

Capital expenditure of € 44.0 million (see the section on cash flows, capital expenditure) and the recognition of right-of-use assets of € 13.2 million (under IFRS 16) resulted in an increase of 8.5 per cent in property, plant and equipment to € 181.8 million net of depreciation, compared to € 167.6 million in the previous year. The biggest item in capital expenditures were plant and equipment to expand capacity and improve productivity. The right-of-use assets mainly consist of a new addition from a sale and lease-back transaction with an affiliated company.

Deferred tax assets decreased to EUR 2.2 million on account of offsetting deferred tax liabilities in 2024 for the first time (previous year EUR 10.5 million).

Other financial assets decreased by € 1.5 million, declining from € 4.5 million to € 2.9 million.

Inventories rose slightly by € 2.8 million to € 82.5 million and therefore remained more or less at the level of the previous year (€ 79.7 million).

The reduction of € 4.3 million in trade receivables as at the reporting date mainly results from lower sales in November and December 2024 in comparison to the comparative period of the previous year due to a longer holiday break that led to a fall in business activity. The net balance of factored receivables came to € 9.2 million (previous year € 11.9 million).

We refer to the cash flow statement for more information on the developments in cash and cash equivalents.

Cash flows

The new syndicated loan agreement entered into in November 2023 provides credit totalling € 130.0 million and a solid foundation for the Group's liquidity. The syndicated loan agreement has an agreed term of three years and contains two renewal options, the first of which can be applied for at the end of the first year and the second at the end of the second year. The basic term of the loan expires in November 2026. As at 31 December 2024, the credit promised under the existing syndicated loan agreement was drawn on by an amount of € 60.0 million in the form of six loans plus overdrafts totalling € 26.8 million. There are also nine instalment loans in place for a total of € 22.0 million. The six loans totalling € 60.0 million are all short-term loans that mature in three months. Under the terms of the syndicated loan agreement it is possible to unilaterally exercise an option to revolve the credit beyond this term. In light of the fact that we intend to exercise this option, the liabilities to banks have been presented under non-current liabilities. According to the syndicated loan agreement, the overdrafts only need to be repaid at the end of the term of the agreement. Therefore these are also classified as non-current.

In sum, SHW has a credit line of € 130 million as at the reporting date (previous year € 130.0 million). Of this total, € 86.8 million (previous year € 74.9 million) had been drawn down on the reporting date.

SHW uses interest swaps to hedge its interest exposures under this arrangement (cash flow hedges). The impact of the interest swaps consists of a current receivable of € 12 thousand (previous year € 10 thousand), a non-current receivable of € 141 thousand (previous year € 291 thousand) and a non-current liability of € 1.1 million (previous year € 0 thousand).

Non-current liabilities and provisions rose by a total of € 15.6 million, of which € 14.1 million is due to amounts drawn down from the syndicated loan agreement.

Pension provisions presented under employee benefit obligations and similar obligations amount to € 19.0 million, comparable to the previous year (€ 19.3 million).

With regard to current liabilities and provisions, trade payables decreased by 8.8 per cent from € 69.5 million to € 63.3 million.

Other provisions of € 4.0 million lie 33.8 per cent above the previous year's figure of € 3.0 million.

FINANCIAL POSITION

K EUR	2024	2023	Change absolute	Change relative
Equity	**118,472**	**123,944**	**-5,472**	**-4.4%**
Non-current liabilities and accruals	**148,697**	**133,077**	**15,620**	**11.7%**
of which liabilities to banks	101,670	87,582	14,088	16.1%
of which other financial liabilities	21,893	11,246	10,647	94.7%
of which obligations for employee benefits	24,188	24,281	-93	-0.4%
Current liabilities and accruals	**105,444**	**118,838**	**-13,394**	**-11.3%**
of which liabilities to banks	7,182	10,434	-3,251	-31.2%
of which trade payables and contract liabilities	64,420	69,736	-5,316	-7.6%
of which other pensions	4,021	3,005	1,016	33.8%
Total assets	**372,612**	**375,859**	**-3,247**	**-0.9%**

Equity ratio at 31.8 per cent

The equity of the Group as of 31 December 2024 was affected primarily by exchange losses (€ -0.3 million) posted directly to other comprehensive income, actuarial gains (€ +0.1 million), the Group's net loss for the year of € -4.4 million and fair value adjustments to derivatives held as hedging instruments (€ -0.9 million). No profits were distributed for fiscal year 2023. Due to the slight decrease in both the balance sheet total and equity, the equity ratio decreased slightly from 33.0 per cent to 31.8 per cent.

Net working capital ratio above the mid-range target corridor

The net working capital ratio, measured against sales of the last twelve months, rose from 12.2 per cent to 13.2 per cent and therefore lies above the targeted mid-term corridor of 11 per cent to 12 per cent.

NET WORKING CAPITAL

K EUR	2024	2023	Change absolute	Change %
Inventories	82,468	79,654	2,814	3.5%
Trade receivables	50,603	54,920	-4,316	-7.9%
Trade payables	-63,324	-69,466	6,142	-8.8%
Contract liabilities	-1,096	-270	-826	306.0%
Net working capital	**68,651**	**64,837**	**3,814**	**5.9%**
as % of sales	13.2%	12.2%	-	-

Cash flow from operating activities down on the previous year

At € 27.5 million, cash flow from operating activities in fiscal year 2024 is down on the previous year's level of € 41.3 million. Cash flow from operating activities was negatively affected by the change in net working capital on the reporting date.

At € 40.5 million, cash flow from investing activities relating to intangible assets and property, plant and equipment was € 3.0 million higher than the previous year's figure.

Total free cash flow of the Group deteriorated to € - 12.9 million and is therefore € 16.8 million below the figure of the previous year (€ 3.9 million).

For fiscal year 2024, the Group's total free cash flow thus amounted to € - 12.9 million (previous year € 3.9 million).

DERIVATION OF THE CHANGE IN NET LIQUIDITY

K EUR	2024	2023
Cash flow from operating activities	27,542	41,308
Cash flow from investing activities (intangible assets and property, plant and equipment)	-40,478	-37,434
Total free cash flow	**-12,936**	**3,874**
Other	-2,059	1,677
Change in net liquidity	**-14,995**	**5,551**

Net financial liabilities of € - 97.4 million

The change in net liquidity led to the SHW Group reporting net financial liabilities (defined as the balance of cash and cash equivalents and liabilities to banks) of € - 97.4 million as at 31 December 2024 (previous year € -82.4 million).

In addition to the total free cash flow discussed above (€ -12.9 million), lease payments of € 3.3 million (previous year € 3.9 million contributed to the deterioration in net liquidity, countered by cash received for the assumption of financial liabilities of € 2.0 million (previous year € 1.0 million).

As at 31 December 2024, SHW reports cash and cash equivalents of € 11.5 million (previous year € 15.6 million), most of which is carried by the subsidiaries in China and Canada. Liabilities to banks of € 108.9 million (previous year € 98.0 million) consist of six-term loans amounting to € 60.0 million, overdrafts of € 26.8 million drawn on current account provided under the syndicated loan agreement and nine instalment loans amounting to € 22.0 million.

Increase in capital expenditure on property, plant and equipment and intangible assets

Additions to property, plant and equipment and intangible assets totalled € 54.3 million in fiscal year 2024 compared to € 37.1 in the previous year (of this amount € 13.2 million is due to IFRS 16; previous year 1.5 million). The additions to property, plant and equipment are € 18.2 million above the level of the previous year. Additions to intangible assets are € 1.0 million below the figures of the previous year. The discrepancy between the reported additions of property, plant and equipment and intangible assets and the associated payments made in the consolidated cash flow statement reflects the deferral of payments beyond the reporting date and non-cash asset additions funded by leases. A right-of-use asset from a sale and lease-back transaction with an affiliated company is included under property, plant and equipment.

Capital expenditure in the Pumps and Engine Components division increased by 32.0 per cent from € 13.4 million to € 17.7 million (of which € 0.5 million is due to IFRS 16; previous year € 0.6 million). The main focus of investment lay on new product developments and new assembly lines.

Capital expenditure in the Powder Metallurgy division increased by 7.4 per cent from € 2.6 million to a total of € 2.8 million (of which € 0.1 million is due to IFRS 16; previous year € 0.0 million).

Capital expenditure in the Brake Discs division increased by 60.0 per cent from € 21.0 million to a total of € 33.6 million (of which € 12.6 million is due to IFRS 16; previous year € 0.9 million). The focus lay mainly on investments in plant and machinery to expand capacity and improve productivity.

In addition to the cash flow from operating activities budgeted for fiscal 2025, there is sufficient financing available from the new syndicated bank loan to finance the investments already commissioned (purchase obligations for non-current assets) and the investments planned for fiscal year 2025.

ROCE down on the previous year

ROCE

K EUR	**2024**	2023
Goodwill	7,055	7,055
Other intangible assets	22,717	22,154
Property, plant and equipment	181,837	167,562
Inventories	82,468	79,654
Trade receivables	50,603	54,920
Trade payables and contract liabilities	–64,420	–69,736
Capital employed asset item	**280,260**	**261,608**
Capital Employed - 01.01.	261,608	260,497
Capital Employed - 31.12.	280,260	261,608
Capital Employed – annual avg.	270,934	261,053
EBIT 12 months	6,771	10,364
ROCE	**2.5%**	**4.0%**

The return on capital employed (ROCE) deteriorated in comparison to the previous year. This is partly due to a decline in EBIT and, secondly, to a rise in capital expenditure.

Overall statement on the Company's economic position

Given the volatile market environment, the Management Board of SHW AG considers the group's business performance in 2024 to be satisfactory on the whole.

With the help of proactive corporate and financial countermeasures, such as defined measures to cut costs and restructuring, the SHW organisation managed to master the challenges of fiscal year 2024, especially in two of its business divisions. Inefficiencies in one other division led to new challenges which are already being actively addressed.

At the time this management report was prepared, the Management Board believes that the SHW Group, with its innovative and broad product portfolio is in a good position to actively master the challenges posed by the transformation of the automobile sector.

RISK REPORT

Risk management principles

A large number of risks and opportunities arise for the SHW Group within the scope of its business activities which may both positively and negatively affect its financial performance, financial position and cash flows.

We understand risk to mean possible future developments or events which could result in a negative divergence from a forecast or target for the Group. We present the most important risks in this risk report, broken down into four risk categories and rated on the basis of their probability and potential financial impact.

To ensure that our risk management system is as effective as possible, we utilise a Group-wide integrated risk management system which identifies, assesses, manages, monitors and systematically reports risks. The risk management system is aligned towards the early identification of potential risks by constantly monitoring the relevant markets, regions, customers and suppliers, in addition to internal processes, to allow effective countermeasures to be taken.

The key objective of our risk management system is to safeguard and raise the Company's enterprise value and balance our cash management (to avoid liquidity bottlenecks).

Risks are presented after considering risk mitigation measures (net presentation).

Types of risk	Probability	Financial impact
Strategic risks		
Macroeconomic and industry risks	high	high
Market structure risks	high	high
Risks of consolidation in the industry and competition	medium	medium
Operating risks		
Market penetration risks	low	medium
Customer risks	low	high
Delivery call-off risks	high	high
New product launches and project risks	medium	high
Cost risks	high	medium
Supplier risks	medium	high
IT risks	low	medium
Acquisition and integration risks	very low	medium
Environmental risks	very low	medium
Legal and compliance risks		
Legal risks	low	medium
Compliance risks	very low	high
Tax risks	low	low
Financial risks		
Counterparty credit risk	very low	low
Financing risks	medium	high
Currency risks	low	medium
Interest risks	medium	medium
Impairment risks	low	high

Strategic risks

Macroeconomic and industry risks

The business performance of the SHW Group is heavily dependent on developments in the global economy. In addition, risks can arise from political and social changes.

Global challenges, such as the continuing war in Ukraine and economic uncertainties are placing a burden on the global economy. The German economy contracted in 2024 for the second year in succession, falling into recession once again, with high energy costs and increasing competition on export markets preventing recovery.

As a supplier to the automobile industry, the business performance of the SHW Group materially depends on the fundamental transformation in the automobile industry. This transformation process is being driven by such trends as electrification and digitalisation.

The Pumps and Engine Components division and the Powder Metallurgy division are heavily dependent on the production of vehicles, engines and transmissions by their customers in Europe, China, North America and South America and their export activities. The speed of implementation and the focal points chosen by customers in the field of electromobility are affecting demand for our product portfolio and our development focus.

The Brake Discs business segment is almost completely dominated by the vehicle production of its customers in Europe. The subsidiary in Haimen in China will create an offering for the Asian market in future.

The ongoing recession could negatively affect consumer purchasing patterns and dampen the growth prospects of all divisions.

Market structure risks

The transformation in the automobile sector is towards increasingly powerful and simultaneously more fuel-efficient and less-polluting engines as well as alternative drive solutions, such as hybrid and electrical vehicles. In the short and medium term this will continue to give rise to structural changes on the market for internal combustion engines in Europe, China, North America and South America. It is still assumed that sales of hybrid and electric vehicles will grow in future. However, this growth is also anticipated to slow down as the limited range and lack of charging infrastructure are obstacles to the rapid establishment of electromobility.

SHW's future success primarily depends on the Group's ability to focus on the right developments and to translate these at an early stage into new and improved low-carbon products for all kinds of powertrain technologies and to bring these to market in good time and at high quality.

In the opinion of the Management Board, SHW has set the right development focus with its SHW Strategy 2030 to align the product portfolio to the transformation of the automotive industry. Among other items, the main thrust of the SHW Strategy 2030 is on the electrification and transformation of the product portfolio, expanding systems competence and further internationalisation.

Risks of consolidation in the industry and competition

The pressure on automotive suppliers to consolidate their resources in response to the transformation of the automobile industry remains as high as ever. SHW is endeavouring to be perceived as a reliable supplier by pursuing a pro-active portfolio strategy.

Operating risks

Market penetration risks

SHW is driving forward the internationalisation of its business activities in the fields of brake discs and pumps and engine components by means of wholly-owned subsidiaries in Brazil, North America, China and Romania. This entails various risks for SHW. On the one hand, there is a danger of the Company not being awarded follow-up projects in these regions or only being awarded such projects to an inadequate extent. On the other hand, start-up costs may deviate from the budgeted comparative periods, both in terms of timing and volume. Other risks can arise from local peculiarities.

Thanks to the years spent internationalising the Group, SHW has built up expertise in these areas and reviews the potential project risks associated with the start of production of new models by our customers and launching products on new markets, such as establishing a foothold for the Brake Discs segment on the Asian market.

Customer risks

Customer risks arise due to SHW's dependence on key customers which are able to exploit their bargaining power. This can put considerable pressure on margins.

In the past fiscal year, the SHW Group generated sales with two customers that each exceeded 10 per cent of group sales. The share of sales allocable to the largest customer slid marginally from 42 per cent to 40 per cent. This can be attributed to the focus of SHW on brake discs, which are independent of the choice of powertrain, and, in light of the restrictive market, were installed disproportionately in the premium and high-margin car models of our biggest customer over the past year. To reduce these risks, SHW aims to ensure that its sales are evenly distributed among its customers. In this regard, our strategic focus is on winning new customers and expanding our product portfolio in all divisions.

In this regard, SHW has managed to keep expanding its business activities on the independent aftermarket (IAM) and the associated sale of brake discs to international wholesalers under the house brand of "SHW Performance". Most of all, SHW sees further growth potential in the portfolio of dual-component (lightweight) brake discs and was able to significantly increase its total sales in this the fourth year since its launch.

In sum, as things currently stand and based on the existing contracts (which are mainly long-term) and the Company's long-established customer relationships, the complete loss (or even the partial loss) of one of the Company's key customers over the next few years is somewhat unlikely, especially since SHW supplies each individual customer with a large number of wide-ranging products for many different engine, transmission and vehicle types.

Delivery call-off risks

The SHW Group is also exposed to risks associated with unforeseeable decreases or increases in the volume of calls made on standing orders in comparison to the contractually agreed corridors. In order to be able to react flexibly to such changes in call-off volumes, the SHW Group takes on temporary workers as needed, as part of its capacity management.

Fluctuations in call-offs create significant problems throughout the supply chain and impose a considerable additional burden. SHW is endeavoring to pass on this cost burden to the greatest extent possible.

New product launches and project risks

SHW is exposed to risks related to the planning, cost calculation, execution and completion of new product launches and projects. There is a danger of delays, unexpected technical complications, underestimated complexity, capacity problems, bottlenecks, quality problems or higher start-up costs or a failure to meet the budgeted production costs. Delays in obtaining approvals and setting billing dates may also eventuate.

To keep these risks under control, the relevant SHW departments (in particular, production, purchasing, sales, quality assurance and development) and the relevant customer and supplier departments maintain a close process of consultation and coordination during the start-up phase. Although these risks can be mitigated by means of professional project management, project milestones, reviews of the respective project phases, extensive quality management and appropriately structured contracts, they cannot be fully ruled out.

Cost risks

To produce pumps and engine components, sintered parts and brake discs, the SHW Group purchases materials including scrap iron, raw aluminium, aluminium and steel powder and coke from raw materials suppliers. Iron, aluminium and coke prices tend to be subject to strong price fluctuations.

Over recent years the SHW Group has concluded pricing agreements with the automobile manufacturers it supplies to adjust the sales prices of its products on a monthly, quarterly or semi-annual basis in line with short-term and medium-term fluctuations in raw material prices for raw aluminium, aluminium powder, steel powder, scrap iron and energy. In these cases, in addition to the agreed sales prices, the SHW Group charges material surcharges to the automobile manufacturers.

After material expenses, personnel costs are the second-largest cost item for the SHW Group. In the year 2023 the collectively bargained industrial agreements resulted in wage and salary increases of 5 per cent, another 3.3 per cent in the year 2024, 2.0 per cent in April 2025 and another 3.1 per cent in April 2026. In the event that wage and salary increases agreed on within the scope of future collectively bargained industrial agreements significantly exceed productivity gains, this might weaken the relative competitiveness of SHW and negatively affect its ability to reach its earnings goals.

Supplier risks

The SHW Group is dependent upon timely delivery of raw materials and of the components necessary for production from its suppliers. Late deliveries may have a significant impact on the business operations of the SHW Group.

SHW maintains long-lasting business relationships with most of its suppliers. SHW counters the potential risk of late deliveries or the loss of key suppliers, particularly due to the transformation process in the sector, by making regular on-site reviews. In parallel, SHW pursues a policy of setting up alternative suppliers for key purchased parts.

IT risks

The growing threats to companies' information security also pose risks for the SHW Group in terms of the integrity of the information systems and networks and the availability and confidentiality of corporate data. An outage or damage to information systems may disrupt our entire value chain and therefore entail negative cost effects.

The current threat scenarios in the field of cyber security demand extensive countermeasures in planning, implementation and the operation of the organisation's networks. Within the course of introducing its Information Security Management System (ISMS), the SHW Group defined the roles and responsibilities, identified IT risks and took the corresponding risk-mitigation measures. The IT department is working continuously on refining the security concepts and rolling them out to operations. The key points of focus are currently on the segmentation of the network, secure access to production machinery and other measures to better protect against remote access. The measures to protect against ransomware are being continuously improved and expanded. User behaviour plays a key role in cyber security. Regular training and measures aimed at raising awareness, coupled with a reporting system for security incidents, minimises the risk of a successful cyberattack.

The critical IT systems are located in data centres situated either on the premises of the SHW Group or at an external hosting service provider. These are physically protected against unauthorised access and are equipped with additional security components, such as fire alarms. Regular back-ups and protection measures are in place to protect against data loss caused by ransomware encrypting or deleting data. Moreover, the SHW Group has a contingency plan which temporarily safeguards the functionality of its logistics operations even without a connection to its IT system.

The SHW Group invests in new security software on a constant basis to protect its IT systems from unauthorised access. Internally, employee access to confidential corporate data is ensured by the ability to escalate authorisation rights.

Acquisition and integration risks

Acquiring or establishing new companies and entering into possible collaborations are important elements of the growth strategy to improve the market position or to complement existing business and tap into new fields of business. Potential targets for acquisition or joint ventures are evaluated using standardised processes.

However, the objectives pursued by an acquisition, company formation or cooperation, of exploiting potential synergies and realising cost savings, might not be reached to the extent expected. The integration of technologies, products, processes and employees bears risks. The integration process could prove to be more complicated, take more time and be more cost-intensive than initially assumed.

Environmental risks

In addition to environmental regulations, which include limits on emissions and standards for the handling, storage and management of waste and hazardous substances, the locations of SHW are being increasingly confronted by the expectations of their business partners, suppliers and customers that go beyond the standards required by the law. In particular, the foundry of the Brake Discs division at the Tuttlingen-Ludwigstal facility is subject to a number of environmental obligations. Compliance with these environmental regulations and with the mandatory obligations within the scope of the SHW Group's operating permits entails operating costs and requires ongoing investments. Failure to comply with environmental regulations may result in consequences under civil, criminal or public law, in particular fines and claims for damages due to property damage or bodily harm or else a temporary or permanent shutdown. Furthermore, there is a risk that any failure to comply with the environmental demands of customers will result in not being considered in any strategically important projects in future. For this reason, SHW constantly endeavours to harmonise the environmental demands of customers, and thus our own environmental goals, with our commercial objectives.

Legal and compliance risks

Legal risks

One of the main legal risks is products liability. The components manufactured by SHW might be defective, in spite of the comprehensive quality controls conducted. Defective products may lead to damages or losses for the OEMs' end customers, which may result in them asserting compensation and product-liability claims in turn. In such cases, it is possible in certain circumstances that the SHW Group or its customers may be forced to conduct a product recall campaign.

The Company has in place appropriate quality assurance systems in order to avoid and reduce these risks. The SHW Group maintains the customary level of insurance coverage – with appropriate deductibles – to protect it against claims for damages due to faulty products. The risk position with regard to product liability has not changed to any material extent compared to the previous year.

Compliance risks

The purpose of the compliance organisation of the SHW Group is to ensure that all Group entities and all employees comply with the law and to ensure an appropriate reaction to any potential or actual breaches of internal or external rules and regulations. It serves to avoid liability risks, prosecution, fines, loss of reputation and other financial losses and disadvantages that could arise for the SHW Group as a result of misconduct or a breach of the law. The financial impact of non-compliance is difficult to estimate as it depends on the circumstances of each particular case, which can vary widely. The risk of illegal conduct by individuals cannot be fully ruled out, despite extensive guidelines and multi-level review and control mechanisms. Suspicious cases are actively examined. In the event that it comes to an official investigation, SHW cooperates with the applicable authorities. Any evidence of misconduct bears consequences for the respective persons concerned and entails an adjustment to the organisation. In addition, the SHW Group has a whistle-blowing system in place with which concerns of suspicious activity can be reported.

Tax risks

Tax risks may arise from changes to the legal or tax structures of the SHW Group and from tax periods that have not yet been finally assessed. Tax field audits can result in back-taxes when the fiscal authorities come to a different assessment of the issues. In addition, there is a risk that changes to tax legislation or new court judgements might lead to an additional tax burden for the SHW Group. Risks could also arise regarding the recoverability of deferred tax assets, depending on the earnings situation and future financial performance.

Financial risks

Counterparty credit risk

The risk of counterparty default has not changed among the globally positioned customers of the SHW Group. Where necessary, the terms of payment and the credit limits are adjusted and regularly monitored. The economic situation for our suppliers remains tight. SHW continues to pursue a multiple-sourcing policy with the goal of reducing the risk of a loss of key suppliers.

Financing risks

The financial covenants agreed on under the syndicated loan agreement were observed as at 31 December 2024.

In some cases our suppliers secure their claims against us using credit insurance. A reduction or revocation of the insured sums by the credit insurer could lead to these suppliers setting shorter terms of payment or demanding cash in advance. This could impair liquidity planning and restrict our financial headroom.

To minimize this risk, SHW keeps in close contact with its suppliers and credit insurers and pursues a course of active financial planning in order to avoid liquidity bottlenecks.

Cash management is based on a weekly cash flow projection that takes account of all matters affecting cash. Overall, the SHW Group has sufficient cash and cash equivalents to ensure its solvency at all times over the forecast period.

Currency risks

The SHW Group is not exposed to any significant currency risks, since its sales and costs are mainly billed in euros on almost all of its production factor and goods markets. No additional currency translation risks have arisen for the Group with regard to the locations in Romania, Brazil, China and Canada as sales and costs are generally denominated in the local currency to the greatest extent possible. Translation risks will therefore mainly arise from changes in the exchange rates of the Brazilian real, the Chinese renminbi, the Canadian dollar and the Romanian leu against the euro.

Interest risks

We keep a close eye on monetary policy. Changes in market interest rates could affect future interest payments for floating rate liabilities. An environment of rising interest rates can negatively affect cash flow. Significant interest rate increases may therefore have a knock-on affect on the profitability, liquidity and the financial position of the SHW Group.

There was a turnaround in monetary policy in the year 2024. After a number of interest rate hikes in recent years, the European Central Bank (ECB) cut the key lending rate in June for the first time, followed by further cuts in September. The Federal Reserve also relaxed its monetary policy and cut its key rate in November. This development could result in lower borrowing costs for the Company and ease the liquidity situation over the mid-term.

However, interest rate trends remain a decisive factor for the future financial strategy of the SHW Group. To counter interest risks and create planning certainty, SHW closely monitors developments in interest rates and enters into hedging instruments where necessary.

Impairment risks

Some of the assets carried by the SHW Group are intangibles, including goodwill. As at 31 December 2024, the SHW Group reported goodwill of € 7.1 million in the balance sheet, as in the previous year. Of this amount, € 4.2 million related to the Pumps and Engine Components business segment and € 2.8 million to the Brake Discs business segment. The carrying amount of internally generated intangible assets, that are not yet eligible for amortisation, comes to € 10.3 million. The business planning for the years 2025 to 2029 and market potentials were used as the foundation for the impairment testing of goodwill and internally-generated intangible assets not yet subject to amortisation as at 31 December 2024. This also entailed assumptions about future developments.

Assessment of the overall risk position

At the present time, SHW considers the Group's overall risk situation to be very manageable. There are currently no discernible risks which could, in isolation or in aggregate, lead to a long-term deterioration in the financial position, financial performance and cash position of the Group. Nor are there currently any apparent risks which might jeopardise the SHW Group's continued existence.

At present, geopolitical tensions continue to affect the momentum of the global economy. The lower but still restrictive interest rates and persistent economic uncertainties are impacting the financial markets. The impacts of these macroeconomic factors on the development of fiscal year 2025 cannot be fully assessed at present.

Unless otherwise indicated in the description of risks, the outlined risks do not specifically refer to the three divisions.

OPPORTUNITIES

Principles of managing opportunities

SHW understands opportunities to mean possible future developments or events that may result in a positive deviation from a forecast or target for the SHW Group. The opportunities management system of the SHW Group is based upon the goals and strategies of the three divisions, Pumps and Engine Components, Powder Metallurgy and Brake Discs. The operational management of these divisions has direct responsibility for early and regular identification and analysis of opportunities.

Opportunities management is an integral part of the SHW Group's planning and management systems. The market and competition, relevant cost components and key success factors are intensively examined in this regard. Specific goals for the divisions are then derived and set.

The Company's development and sales departments play a key role within the scope of opportunities management. They continuously seek out possibilities for optimising existing pump and engine components, sintered parts and brake discs as well as new areas of application and sales opportunities. Opportunities frequently arise from product innovations which arise through the development of new, more efficient and cleaner engine and transmission generations and the expansion of e-mobility and weight-optimised brake discs. SHW thus aims to be involved in the vehicle manufacturer's development process at the earliest possible opportunity.

The key opportunities for SHW are presented below.

Group-wide opportunities

Significant efforts required to achieve ambitious emission targets

The more stringent laws to achieve climate neutrality by 2050 as laid out in the "Fit for 55" strategy and the European Green Deal have triggered radical change in the automobile industry. The framework conditions and CO_2 reductions expected of car fleets are presenting the OEMs with new challenges with regard to the development of alternative powertrains and, ultimately, the electrification of the existing product spectrum.

These challenges also apply to the automotive suppliers of the leading OEMs. The supplier industry is not only affected by the consequences of the transformation. It is also called upon as a competence centre and source of expertise to help shape the transformation process.

The rising demand from OEMs for mechatronic, electrical and software-managed products to be used in the major e-mobility platforms requires a complete overhaul and revision of the existing value chains in the automotive supply industry. This new alignment demands that we extend our core competencies, develop new standards, create competitive terms and conditions and define new production processes.

Taking account of these market expectations, SHW, as an automotive supplier, accepts the challenges of the transformation process and set a corresponding strategy for the future with the "SHW Strategy 2030" which it laid out in 2021. In this strategy, the SHW Group has positioned itself as a supplier for all kinds of powertrains to meet the various requirements of the market.

Opportunities within the divisions

Due to the rising share of hybrid and electric vehicles on the market, the Pumps and Engine Components division and the Powder Metallurgy division will concentrate more strongly on e-pumps and complex modules for the cooling and lubrication of electric engines, electric axles, batteries and performance electronics as well as highly durable sintered gears. At an early stage, SHW created the framework conditions to develop and manufacture new products and systems that address the advancing electrification of OEM powertrains. For instance, we have built up our development expertise with regard to software, hardware and electronics and created new functions. Furthermore, investments were made over recent years in an experimental laboratory for electrical applications with the corresponding infrastructure and test beds. New standards and processes were also implemented for the production of electrical products.

The Brake Discs division is benefiting from the trend towards lighter vehicle parts. With its lightweight composite brake disc, SHW has an innovative product in its portfolio which combines weight reduction with an improvement in braking performance. Through further automation of its production process, ongoing development activities in composite brake discs and streamlining of the product portfolio, the Group intends to reduce its production costs and will thus also be able to keep supplying competitive products for upper mid-range and mid-range vehicles in future. For SHW, the introduction of the Euro-7 emissions standard opens up new opportunities for growth. The standard not only limits tailpipe emissions, but also concerns the emissions of brakes and tyres. For the SHW Group this creates an opportunity to increase the depth of its value chain. By developing the “Low Emission Brake”, we will be able to expand our portfolio and simultaneously contribute to reducing the environmental impact.

Additional growth potential in the Brake Discs segment is perceived in the independent aftermarket with the “SHW Performance” house brand. Under this brand top quality brake discs are delivered to dealers worldwide for the spare parts aftermarket. The many years of experience and skills that we have established in the development and series production of premium-quality brake discs has created a foundation for the sustained growth that is projected for the future.

Additional opportunities arise in connection with the commissioning of the new brake discs plant in Haimen. From this base we intend to serve the Asian market with SHW brake discs in future.

There are also significant opportunities for the SHW Group from pursuing efficiency programs targeted at its existing product portfolio. Tapping into new supply markets can lead to cost-savings and making the supply chain more secure. At the same time, continuous optimization allows further reduction of production costs and an improvement of competitiveness. In addition, continuous development of the existing products and making them more robust is contributing to raising quality and longevity, which reinforces both customer loyalty and our market position. These measures not only foster profitability but also support the strategic alignment of the company for the long-term.

Based on its innovative product portfolio that is independent of any particular powertrain, SHW believes it is well positioned for the future.

In sum, the Management Board of SHW AG assigns the opportunities available to the SHW Group to be of moderate relevance.

FORECAST

Outlook for the overall economy and for the industry

Global economy: sustained uncertainties

The factors affecting the global economy are dimming the prospects for economic growth and bear the risk that economic developments may go off in unexpected tangents.

Moderate growth of 2.0 per cent is anticipated in the United States for the year 2025, boosted by a robust labour market and greater investment activity. Nevertheless, protectionist measures introduced by the new administration under President Trump could burden trade relationships and fuel inflation.

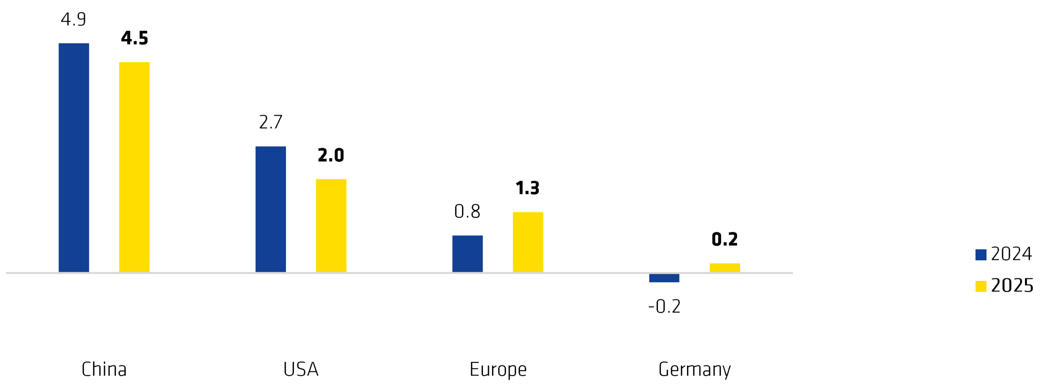
The European economy is likely to remain weak in the year 2025. Lower consumer demand, a recession in the manufacturing sector and fragile labour markets are burdening growth. As Europe is heavily dependent on export business, the new U.S. tariffs could make the situation worse. Those sectors of the economy that are strongly export-oriented, such as the automobile industry, mechanical engineering, chemicals, pharmaceuticals and the food industry, were particularly hard hit by this development, affecting GDP to varying degrees depending on the state. For the euro area GDP growth of 1.3 per cent is forecast for the year 2025 (previous year 0.8 per cent).

After two years of recession, 2025 promises to be another year of crisis with GDP forecast to grow by 0.2 per cent. The underlying causes include the continuing instability in Ukraine and the potential negative impacts of the trade war between the United States and China on Europe.

High interest rates continue to burden business, which is dampening investment activity. However, according to the forecasts, there could be further rate cuts over the course of 2025 which would stimulate economic activity.

In China GDP growth of 4.5 per cent is forecast for 2025 in spite of the structural challenges, such as high private debt levels and complications on the property market. The government is focussing more on increasing domestic value-added and establishing the "Made in China" brand, particulary for plant and machinery and the automobile industry, with the technological transformation to electromobility being driven forward.

GDP GROWTH BY REGION IN %



Source: IHS – February 2025

Automobile production: small dip in production expected

For the year 2025, S&P Global (IHS Markit) is forecasting a slight dip of 0.5 per cent in the global production of light vehicles (less than six tonnes) to 89.0 million units.

For the European region, production is anticipated to decrease by 3.0 per cent to 16.6 million vehicles. Europe's share of the global market is also expected to wane by 0.5 per cent.

S&P Global forecasts a decrease of 1.8 per cent in German light vehicle production in the year 2025 in comparison to 2024 to 4.1 million units.

Chinese automobile production is anticipated to flat-line with growth of +0.3 per cent to 30.2 million units.

By contrast, light vehicle production is projected to fall in North America (-2.2 per cent) but grow in South America (+5.5 per cent).

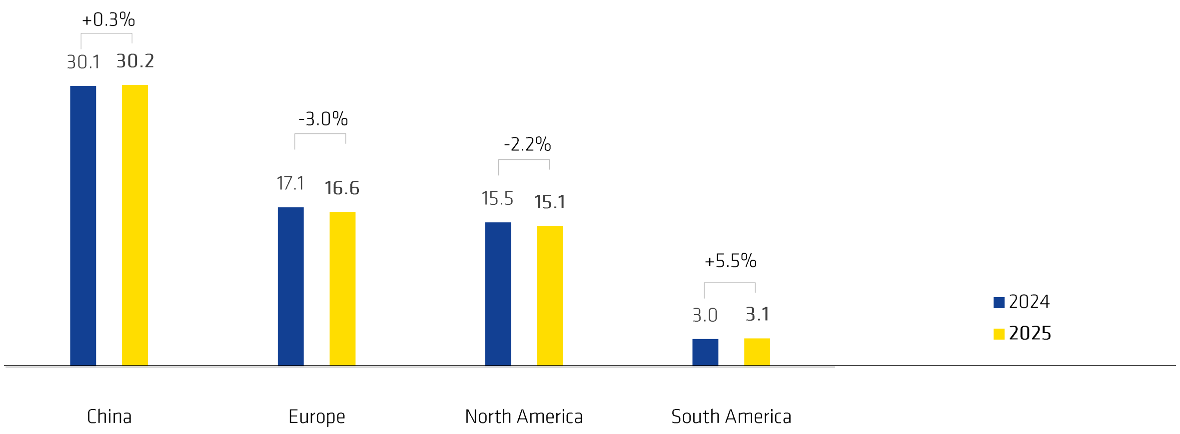
Electric motors and hybrids continue to win greater market share

In comparison to the decline in the production of ICE-powered vehicles (diesel: -7.5 per cent; gasoline: -4.2 per cent), S&P Global projects global production of electric vehicles to rise by 27.1 per cent in 2025 to almost 14.7 million units. This represents an increase in their market share from 13.0 per cent to 16.5 per cent.

According to S&P Global, gasoline engines will still account for the lion's share of the market in the year 2025 with 73.2 per cent, followed by electric and hybrid motors with 16.5 per cent and diesel engines with 10.2 per cent.

SHW remains well positioned, with its product solutions for internal combustion engines as well as electric engines and hybrid powertrains, to exploit any growth opportunities that arise.

LIGHT VEHICLE PRODUCTION BY REGION (IN M UNITS)



Source: IHS – February 2025

Outlook for the Group

Slight growth expected in sales and significant growth in EBITDA and the EBITDA margin

Based on the anticipated development of the macroeconomic environment and the sector-specific conditions, and after weighing up the potential risks and opportunities for the SHW Group for fiscal year 2025, the Management Board of SHW AG forecasts slight growth in sales and a significant rise in EBITDA and the EBITDA margin in comparison to fiscal year 2024.

A moderate decline in the sales of the Pumps and Engine Components division is anticipated but its EBITDA and EBITDA margin are expected to rise slightly. The Powder Metallurgy division is forecast to also see a slight rise in sales but also a slight reduction in its EBITDA and EBITDA margin. By contrast, moderate growth is expected in the sales of the Brake Discs division and a significant rise in its EBITDA and EBITDA margin.

Aalen, 20 March 2025

Wolfgang Plasser
Chief Executive Officer

Thomas Karazmann
Chief Financial Officer

Sebastian Rotermann
Chief Operating Officer

CONSOLIDATED FINANCIAL STATEMENTS OF SHW AG

CONSOLIDATED INCOME STATEMENT

For the fiscal year from 1 January to 31 December 2024

K EUR	Note	**2024**	2023
Sales	**(9)**	**518,950**	**532,860**
Cost of sales	(17)	-458,691	-459,718
Gross profit		**60,259**	**73,143**
Selling expenses	(10), (17)	-16,365	-18,293
General administrative expenses	(11), (17)	-25,704	-30,745
Research and development costs	(12), (17)	-13,531	-13,360
Other operating income	(13)	6,318	9,063
Other operating expenses	(14)	-4,206	-9,443
Earnings before interest and tax		**6,771**	**10,364**
Financial income	(15)	646	311
Financial expenses	(15)	-9,779	-8,246
Earnings before tax		**-2,362**	**2,428**
Deferred taxes	(16)	425	-424
Current income tax	(16)	-2,468	-2,890
Earnings after tax		**-4,405**	**-886**
Net profit or loss		**-4,405**	**-886**
Earnings per share in € (basic and diluted)*		-0.68	-0.14

* Calculated in relation to an average of 6,436,209 shares (previous year 6,436,209 shares), see Note (26) "Equity".

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fiscal year from 1 January to 31 December 2024

K EUR	**2024**	2023
Net profit or loss	**-4,405**	**-886**
Items that will not be reclassified to profit or loss in future periods		
Actuarial gains / losses from pension provisions and similar obligations before tax	146	-1,153
Tax effect	-42	327
Items that may be reclassified to profit or loss in future periods		
Currency translation differences	-264	-1,620
Changes in the fair value of derivates held for hedging purposes recognised in equity	-1,267	-265
Tax effect	360	76
Other comprehensive income after tax	**-1,067**	**-2,635**
Total comprehensive income after tax	**-5,472**	**-3,521**
Net profit for the year attributable to		
shareholders of SHW AG	-4,405	-886
Total comprehensive income after tax attributable to		
shareholders of SHW AG	-5,472	-3,521

CONSOLIDATED BALANCE SHEET

as of 31 December 2024

ASSETS

K EUR	Note	**31.12.2024**	31.12.2023
Goodwill	(20)	7,055	7,055
Other intangible assets	(20)	22,717	22,154
Property, plant and equipment	(20)	181,837	167,562
Deferred tax assets	(16)	2,172	10,490
Other financial assets	(21)	314	490
Other assets	(21)	2,634	3,996
Non-current assets		**216,729**	**211,747**
Inventories	(22)	82,468	79,654
Trade receivables	(23)	50,603	54,920
Other financial assets	(24)	351	1,248
Other assets	(24)	10,998	12,670
Cash and cash equivalents	(25)	11,463	15,621
Current assets		**155,883**	**164,112**
Total assets		**372,612**	**375,859**

EQUITY AND LIABILITIES

K EUR	Note	31.12.2024	31.12.2023
Subscribed capital	(26)	6,436	6,436
Capital reserves	(26)	38,510	38,510
Revenue reserves	(26)	77,851	82,257
Other reserves	(26)	-4,326	-3,259
Equity		**118,472**	**123,944**
Employee benefits	(27)	24,188	24,281
Deferred tax liabilities	(16)	917	9,939
Liabilities to banks	(29)	101,670	87,582
Other financial liabilities	(29)	21,893	11,246
Other provisions	(28)	29	29
Non-current liabilities and provisions		**148,697**	**133,077**
Liabilities to banks	(29)	7,182	10,434
Trade payables	(29)	63,324	69,466
Contract liabilities	(9)	1,096	270
Other financial liabilities	(29)	18,858	22,538
Income tax liabilities	(16)	824	528
Other provisions	(28)	4,021	3,005
Other liabilities	(29)	10,139	12,597
Current liabilities, provisions and accruals		**105,444**	**118,838**
Total equity and liabilities		**372,612**	**375,859**

CONSOLIDATED CASH FLOW STATEMENT

For the fiscal year from 1 January to 31 December 2024

K EUR	Note	2024	2023
1. Cash flow from operating activities			
Net profit		-4,405	-886
Depreciation / amortisation (+) of fixed assets	(20)	31,362	32,514
Income tax expenses through profit or loss (+)	(16)	1,524	2,890
Income taxes paid (-)		-1,243	-2,813
Financing costs through profit or loss (+)	(15)	9,779	8,246
Interest paid (-)		-7,772	-7,623
Financial investment income through profit or loss (-)	(15)	-670	-311
Interest received (+)		670	311
Increase (+) / decrease (-) in provisions	(27), (28)	-261	-988
Change in deferred taxes		-426	447
Other non-cash expenses (+) / income (-)		-1,017	-2,570
Gain (-) / loss (+) from the disposal of assets		464	196
Increase (-) / decrease (+) in inventories, trade receivables and other assets	(22), (23), (24)	3,960	-2,336
Increase (+) / decrease (-) in trade payables and other liabilities	(29)	-4,423	14,231
Cash flow from operating activities		**27,542**	**41,308**

K EUR	Note	2024	2023
2. Cash flow from investing activities			
Cash received (+) from the disposal of property, plant and equipment		182	84
Cash paid (-) for investments in property, plant and equipment		– 36,075	– 31,912
Cash paid (-) for investments in intangible assets		– 4,586	– 5,606
Cash flow from investing activities		**– 40,478**	**– 37,434**
3. Cash flow from financing activities			
Cash received (+) from the assumption of financial liabilities	(29), VI.	21,926	15,182
Cash paid (-) for the redemption of financial liabilities	(29), VI.	-12,027	– 13,025
Cash received (+) from other financial liabilities		1,977	1,067
Cash paid (-) for finance leases	VI., VII.	– 3,331	– 3,926
Cash flow from financing activities		**8,545**	**– 702**
4. Cash and cash equivalents at the end of the period			
Cash-effective changes in cash and cash equivalents (sum of positions 1– 3)		– 4,391	3,172
Exchange rate-related changes in cash and cash equivalents		233	– 434
Cash and cash equivalents at the beginning of the period	(25)	15,621	12,883
Cash and cash equivalents at the end of the period	**(25)**	**11,463**	**15,621**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the fiscal year from 1 January to 31 December 2024

K EUR	Subscribed capital (Note 26)	Capital reserves (Note 26)	Revenue reserves (Note 26)	Other reserves (Note 26)	**Total equity**
As at 1 January 2024	**6,436**	**38,510**	**82,257**	**-3,259**	**123,944**
Changes from actuarial gains and losses	0	0	0	105	105
Hedge accounting reserve	0	0	0	-907	-907
Foreign currency translation reserve	0	0	0	-264	-264
Other comprehensive income	**0**	**0**	**0**	**-1,067**	**-1,067**
Net profit for 2024	0	0	-4,405	0	-4,405
Total comprehensive income for the period	**0**	**0**	**-4,405**	**-1,067**	**-5,472**
As at 31 December 2024	**6,436**	**38,510**	**77,851**	**-4,326**	**118,471**

K EUR	Subscribed capital (Note 26)	Capital reserves (Note 26)	Revenue reserves (Note 26)	Other reserves (Note 26)	**Total equity**
As at 1 January 2023	**6,436**	**38,510**	**83,143**	**-624**	**127,465**
Changes from actuarial gains and losses	0	0	0	-826	-826
Hedge accounting reserve	0	0	0	-189	-189
Foreign currency translation reserve	0	0	0	-1,620	-1,620
Other comprehensive income	**0**	**0**	**0**	**-2,635**	**-2,635**
Net profit for 2023	0	0	-886	0	-886
Total comprehensive income for the period	**0**	**0**	**-886**	**-2,635**	**-3,521**
As at 31 December 2023	**6,436**	**38,510**	**82,257**	**-3,259**	**123,944**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF SHW AG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. General background

1. The Company

SHW AG with registered offices at Stiewingstr. 111, Aalen, Germany, was created in 2011 by a change of legal form and recorded in the commercial register on 8 June 2011 (under the commercial register no. HRB 726621 held by the Ulm district court).

The SHW Group's principal activity is the production and sale of hydraulic pumps, powder metallurgy parts and brake discs.

2. Accounting polices

SHW AG's consolidated financial statements as at 31 December 2024 were approved by the Management Board on 20 March 2025 for submission to the Supervisory Board. These consolidated financial statements conform to the applicable International Financial Reporting Standards (IFRS) set by the International Accounting Standards Board (IASB) in London. The authoritative version of IFRS is that as at 31 December 2024 as adopted by the EU. All interpretations of the International Financial Reporting Interpretations Committee (IFRIC) relevant for fiscal year 2024, as well as previous interpretations of the Standing Interpretations Committee (SIC), have been applied.

The consolidated financial statements are generally prepared in accordance with the historical cost principle. Deviations from this principle are specified under the accounting policies.

The consolidated financial statements have been prepared in euros. Unless indicated otherwise, the figures shown in the consolidated financial statements are stated in thousand euros (€ thousand). We draw attention to the fact that there may be rounding differences to the mathematically exact figures (monetary units, percentages, etc.)

By resolution dated 27 January 2025, the shareholders of Schwäbische Hüttenwerke Automotive GmbH, the shareholders of SHW Brake Systems GmbH, the shareholders of Powder Systems GmbH and the shareholders of SHW Bremsen Beteiligungs GmbH passed a unanimous resolution to apply the exemption from reporting duties afforded by Section 264 (3) HGB and therefore did not compile their own management reports or notes to the financial statements or publish their financial statements and management reports. The resolutions were forwarded to the Company Register on 30 January 2025 and 31 January 2025 for publication. According to Section 264b HGB, SHW Gießerei GmbH & Co. KG is also exempted from the duty to compile financial statements pursuant to German commercial law or a management report pursuant to the laws applying to stock corporations and have these audited and published.

3. New and amended standards and interpretations applicable in the year 2024

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have issued the following standards and interpretations, which have been adopted into European law by the EU and must be applied to reporting periods beginning on 1 January 2024:

Standard/Interpretation		Status	Applicable from
Amendments to IAS 1	Classification of liabilities as current or non-current Non-current liabilities with covenants	revised	01.01.2024
Amendments to IFRS 16	Leases - lease liabilities from a sale and leaseback transaction	revised	01.01.2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	revised	01.01.2024

The application of the new standards and amendments did not have any effect, or any significant effect, on the consolidated financial statements of SHW AG.

4. Standards, interpretations and amendments to published standards not yet mandatory in 2024 and not early-adopted by the SHW Group

The IASB and IFRIC have adopted further standards and interpretations. These regulations have not been applied in fiscal 2024 because either they have not yet been endorsed by the EU, or their application is not yet mandatory.

Standard/Interpretation		Status	To be applied from
Amendments to IAS 21	Lack of exchangeability	revised	01.01.2025
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	revised	01.01.2026
IFRS 18	Presentation and disclosure in financial statements	new	01.01.2027
IFRS 19	Subsidiaries without public accountability	new	01.01.2027

We expect that future application of the new standards and amendments will not have any effect, or will not have any significant effect, on the consolidated financial statements of SHW AG.

5. Estimates and uncertainties associated with discretionary judgements and assumptions

The preparation of the consolidated financial statements requires that assumptions and estimates are made for the measurement of some balance sheet items, for the disclosure of contingent liabilities, and for disclosing income and expenses. Actual amounts may differ from these estimates.

The following passages present the key forward-looking assumptions and significant sources of estimation uncertainty as at the reporting date that involve a considerable risk of material adjustment to the carrying amounts of assets or liabilities in the upcoming fiscal year. These assumptions are subject to a periodic review conducted by the management.

Goodwill impairment

The SHW Group tests goodwill for impairment at least once a year or when there is an indication that the goodwill of € 7,055 thousand (previous year € 7,055 thousand) may be impaired. This involves an estimate of the recoverable amount of those cash-generating units (CGUs) to which the goodwill is allocated. In order to calculate the recoverable amount of the CGU, the SHW Group must estimate the fair value, less the costs of disposal, based on the EBIT forecasts and, in addition, select an interest rate in order to calculate the present value of cash flows. Further details may be found in Note (20) “Statement of changes in intangible assets and property, plant and equipment”.

Development costs

Development costs are recognised as internally-generated intangible assets in accordance with the accounting policies presented below. First-time recognition is only permitted when all of the following criteria are met. Firstly, completion of the intangible asset must be technically feasible. This is based on the management’s assessment that technical and economic feasibility has been demonstrated. Generally, this is the case when a development project has achieved a certain degree of maturity. Secondly, it must be possible to demonstrate that the intangible asset will generate future economic benefits, either from using the asset internally or by selling it, and that the development costs can be reliably measured. In order to determine the capitalisable amounts of such assets, assumptions and estimates regarding the expected cash flows from the assets and their market potential are included in the calculation, along with the applicable discount rates and the period of expected future cash flows which the assets generate. Thirdly, there must be an intention to complete the intangible asset and to use or sell it thereafter. Fourthly, the entity must have the ability to use or sell the intangible asset. Finally, the entity must have adequate technical and financial resources available to complete the development. As at 31 December 2024, capitalised development costs amount to € 20,378 thousand (previous year: € 19,303 thousand), of which € 10,282 thousand (previous year: € 8,634 thousand) are projects in progress. Projects in progress are impairment tested once a year, analogous to goodwill or whenever there are indications of an impairment.

Pensions and similar obligations

Expenses for defined benefit plans and other post-employment benefits are determined based on actuarial calculations. The actuarial valuation involves making assumptions about discount rates, future wage and salary increases, mortality rates and future pension increases. Such estimates are subject to considerable uncertainty due to the long-term nature of these plans.

As at 31 December 2024, the provision for pensions and similar obligations amounted to € 19,016 thousand (previous year € 19,287 thousand). More details can be found in Note (27) “Employee benefit obligations”.

Deferred tax assets

Deferred tax assets are recognised on all unused tax-loss carry-forwards to the extent that it is probable that taxable income will be available in future against which the tax-loss carry-forwards can actually be used. Changes in the ownership structure of SHW AG or changes in the tax legislation of the respective countries could have an impact on the ability to utilise unused tax losses. A considerable degree of discretionary judgement on the part of management is required to determine the amount of deferred tax assets that can be recognised, based on the expected timing and level of taxable income in the future together with future tax planning strategies. For further details, please see Note (16) “Income taxes”.

Estimates used in the application of accounting policies

Discretionary decisions must be made when exercising the accounting policies. These decisions are continually re-evaluated and are based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the current circumstances.

This particularly applies to the following types of situations:

- Determination of the fair value of assets and liabilities acquired as part of a business combination, as well as these assets’ period of useful life, based on assessments by the management.
- In the case of assets that are to be sold, management must determine whether these can be sold in their present condition and whether their sale is very probable.

- When recognising provisions for warranties, customer project and product-related obligations, the main parameters (ratio of the expected utilisation and the average amount) are defined by management.

- According to IFRS 9, financial assets must be classified into assets that are "held", "held and sold" or "held for trading", depending on the business model. Depending on this classification, financial assets are measured at amortised cost ("held"), or (a) at fair value through other comprehensive income ("held and sold") or (b) at fair value through profit or loss ("held for trading").

- When determining whether a lease contains an option to extend the term is reasonably certain in the sense of IFRS 16.

II. Consolidation methods and basis of consolidation

6. Consolidation principles and methods

The consolidated financial statements are based on the separate financial statements of SHW AG and all of its subsidiaries over which it exercises control in the sense of IFRS 10 on 31 December of each reporting year. The financial statements of the subsidiaries are prepared as at the same reporting date as those of the parent company using uniform accounting policies.

A full list of the shareholdings of the SHW Group is attached as an integral part of these notes to the consolidated financial statements.

Capital is consolidated in accordance with the acquisition method. Subsidiaries are fully consolidated from the date on which they are established or acquired, i.e. from the date as at which the Group directly or indirectly controls the entity as defined by IFRS 10. An entity is controlled if SHW AG is able to decide on the relevant activities of the subsidiary due to voting rights or other rights, if it receives the positive or negative variable returns generated by this subsidiary and if it may influence these returns by virtue of its decision-making authority. Subsidiaries are removed from the consolidated financial statements as soon as the parent company ceases to control the subsidiary. Upon first-time consolidation, the entity's acquisition cost is allocated to the identifiable assets, liabilities and contingent liabilities of the entity acquired. The assets acquired, particularly the intangible assets, are reassessed in terms of their accounting treatment and subsequently recognised at fair value. Where the acquisition costs for the acquired entity exceed the proportional fair value of the net assets, goodwill is recognised and an impairment test is carried out once a year or when there is good cause. If the impairment test reveals a loss in value an impairment loss is recognised.

All intra-group balances, transactions, income, expenditures, profits and losses from intra-group transactions that are recognised in the separate financial statements of consolidated companies are eliminated.

7. Scope of consolidation

There were no changes to the basis of consolidation in the reporting year. The composition of the group matches that of the previous year.

8. Currency translation

The consolidated financial statements are prepared in euros, which is the functional and presentation currency of the SHW Group. Each company within the SHW Group determines its own functional currency. The line items of the companies contained in the financial statements of the respective Group companies are measured using this functional currency. Foreign currency transactions are translated initially at the spot exchange rate between the functional currency and the foreign currency on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing at the reporting date. All currency differences are recognised in profit or loss. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate prevailing on the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate prevailing on the date their fair value was determined.

The assets and liabilities of foreign subsidiaries that use a functional currency other than the euro are translated at the closing rate of the fiscal year, while the income statement items are translated at the average exchange rate for the period. Any differences resulting from currency translation are recognised directly under "other reserves" within equity ("foreign currency translation reserve"). At the time of disposal, the amount recognised in "other reserves" is then recycled through profit or loss.

Translation differences arising from items to be received from or to be paid to a foreign operation for which settlement is neither planned nor likely and are thus part of the net investment in that foreign operation are recognised directly in equity within the foreign currency translation reserve.

The exchange rates used for the translation of the main currencies of the SHW Group are shown in the following table:

		Closing rate 31 December		Average rate	
	€ 1	**2024**	2023	**2024**	2023
Brazil	BRL	6.4253	5.3618	5.8907	5.3940
Canada	CAD	1.4948	1.4642	1.4835	1.4620
China	RMB	7.5833	7.8509	7.7733	7.6839
Romania	RON	4.9743	4.9756	4.9753	4.9514

III. Notes to the income statement

9. Sales

The revenue[1] presented under "Sales" in the consolidated income statement includes revenue from contract with customers (IFRS 15).

Revenue is measured on the basis of the consideration defined in the customer contract. The SHW Group only recognises revenue upon passing control over the goods and services it supplies at a point in time as the criteria for revenue recognition over time (i.e. as the identified performance obligations are fulfilled) are not met. Although the goods or services passed to the customer are generally without any alternative use, the Company is not fundamentally entitled at all times to compensation for the performance obligations it has already satisfied. Consequently, the revenue is recognised at a point in time when control over the good or service passes to the customer and when the right to payment arises.

The Pumps and Engine Components division achieved sales of € 304,596 thousand in fiscal year 2024 (previous year € 319,847 thousand). The Powder Metallurgy division generated revenue of € 83,265 thousand in fiscal year 2024, of which € 52,914 thousand was generated from sales to external third-party customers and € 30,350 thousand from intercompany sales (previous year: € 81,631 thousand, with € 46,172 thousand in external sales and € 35,459 thousand in intercompany sales). The Brake Discs division achieved sales of € 161,439 thousand in fiscal year 2024 (previous year € 166,841 thousand).

The geographic information of the SHW Group is based on sales with customers that maintain their headquarters in the respective regions.

GEOGRAPHICAL SEGMENTATION

1 Jan to 31 Ded	Germany		Rest of Europe		America		Asia		Other		Total	
K EUR	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Revenue from contracts with customers	224,446	267,183	186,759	164,979	73,477	54,650	34,209	33,987	59	35	518,950	520,835

As at 31 December 2024 contract liabilities amounted to € 1,096 thousand (previous year: € 270 thousand). Contract liabilities mainly consist of the advance payments received from customers for preparatory work prior to the commencement of serial production. Revenue of € 0 thousand was realised in the course of fiscal year 2024 from the net balance of contract liabilities carried at the beginning of fiscal year 2024 (previous year revenue of € 247 thousand).

As in the previous year, the incremental costs of obtaining contracts of € 2,376 thousand (previous year € 3,429 thousand) are presented under non-current other assets and € 1,457 thousand (previous year € 1,553 thousand) under current other assets as at 31 December 2024. Incremental costs of obtaining contracts are when payments are made that can be directly associated with a probable customer contract without which the contract would not have been obtained and are expected to be recovered from the customer in future. Incremental costs of obtaining contracts are amortised in line with the later call-offs for the delivery of series products and came to € 1,362 thousand in the fiscal year 2024 (previous year € 1,138 thousand). As at 31 December 2024, the impairment losses on contract assets amounted to € 220 thousand (previous year € 0 thousand). We refer to Notes (21) and (24).

Reference is made to Note (23) for more information on the impairments recorded on trade receivables.

10. Selling expenses

Selling expenses are expenses incurred by the sales function. This primarily includes expenses incurred by the sales departments and all of the overheads that can be allocated to these functions or activities. Direct selling expenses also contain freight and shipping costs.

11. General administrative expenses

Administrative costs include all administrative expenses which cannot be directly allocated to other functions. This includes the cost of general administration, management and other central shared services.

1) The terms "sales" and "revenue" are used synonymously

12. Research and development costs

Research and development costs include personnel and non-personnel costs (e.g. depreciation of machinery used in research and development). In fiscal year 2024, additionally capitalised development costs amounted to € 4,041 thousand (previous year € 5,058 thousand). Additional development services were billed within the scope of customer orders.

13. Other operating income

Other operating income includes non-recurring effects from insurance indemnification payments of € 497 thousand (previous year € 4,830 thousand). In addition, other operating income includes income from exchange gains of € 1,557 thousand (previous year € 1,790 thousand) and the release of provisions and other liabilities of € 1,685 thousand (previous year € 920 thousand). This item also includes government grants of € 1,366 thousand received in the year (previous year € 338 thousand).

14. Other operating expenses

Other operating expenses mainly comprise non-recurring effects in the project/product business of € 1,284 thousand (previous year € 5,964 thousand). In addition, other operating expenses include exchange losses of € 1,658 thousand (previous year € 2,172 thousand).

15. Financial result

The financial result breaks down as follows:

K EUR	**2024**	2023
Financial income	646	311
Financial expenses		
Interest and similar expenses	-8,442	-7,262
Interest in the addition to pension provisions	-795	-748
Interest expense on leases	-543	-236
	-9,779	**-8,246**
Financial result	**-9,133**	**-7,936**

Financial income mainly results from interest on non-current assets and interest income from fixed-term deposits.

Interest and similar expenses refer in particular to interest and borrowing costs from the syndicated loan of € 6,541 thousand (previous year € 5,360 thousand) determined using the effective interest rate method (see Note (29) "Liabilities").

The following table shows the net results from financial instruments by measurement category:

K EUR	Net results		of which impairment losses / reinstatements	
	2024	2023	**2024**	2023
Loans and receivables (AC)	528	265	-118	-46
Other non-current financial assets (AC)	-16	-16	-16	-16
Financial liabilities (AC)	-8,984	-7,498	0	0
Total	**-8,473**	**-7,250**	**-134**	**-62**

16. Income taxes

Current tax refund claims and tax liabilities

The current tax refund claims and tax liabilities for the current period and for previous periods are carried at the amount of the expected refund by the tax authorities or the amount expected to be paid to the tax authorities. The calculation of this amount is based on the tax rates and tax laws applicable on the balance sheet date.

Income tax assets and income tax liabilities

Tax assets of € 15 thousand (previous year € 577 thousand) relate to rights to tax refunds of provisional tax payments made in the year 2024. Tax liabilities in fiscal year 2024 amount to € 839 thousand (previous year € 1,106 thousand). Income tax assets and income tax liabilities are presented net in the balance sheet.

Deferred taxes

Deferred taxes are calculated on all temporary differences between the carrying amounts of assets and liabilities in the IFRS consolidated balance sheet and the tax base; deferred tax assets are only recognised to the extent that the related tax refunds or tax relief are likely to occur.

The carrying amount of deferred tax assets is reviewed each balance sheet date and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which the deferred tax assets can be at least partially offset. Unrecognised deferred tax assets are reviewed each balance sheet date and recognised if it is more likely than not that future taxable income will enable the realisation of the deferred tax asset.

Deferred tax assets are reported as a separate item under non-current assets, while deferred tax liabilities comprise a separate item under non-current liabilities and provisions. Deferred tax assets (DTA) have been offset against deferred tax liabilities (DTL) for the first time.

Deferred tax assets and liabilities are measured in accordance with the liability method using the tax rates expected in the year the asset is realised, or the liability is settled. This is based on tax rates and tax laws that are valid on the balance sheet date or that are expected to be valid in the near future.

Income taxes and deferred taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

a) Tax recognised in profit or loss

K EUR	2024	2023
Current taxes	**-2,468**	**-2,890**
Current year	-2,579	-2,226
Adjustments for previous years	111	-664
Deferred taxes	**425**	**-424**
Recognition / reversal of temporary differences	684	589
Value adjustment of tax loss carryforwards	-259	-1,013
Total	**-2,043**	**-3,314**

Deferred tax income posted directly to other comprehensive income comes to € 318 thousand (previous year € 403 thousand) arising from the remeasurement of the defined benefit obligation and derivatives.

b) Reconciliation of the effective tax rate

K EUR	2024	2023
Earnings before tax	-2,362	2,428
Expected income tax (28,4 [previous year 28,4] per cent)	-671	690
Tax-free income, non-deductible expenses	167	105
Taxes from previous years	-663	615
Reduction in assessed value	-15	-15
Add backs (pursuant to Section 8 of the German Trade Tax Act- GewStG)	247	196
Unrecognised deferred tax assets from loss carryforwards	2,859	268
Impairment losses on deferred tax assets from loss carryforwards	-248	424
Recognition of the tax effects arising from unused tax loss carryforwards not recognised to date	-201	0
Deviating foreign tax rates	-231	-7
Non-creditable withholding tax	684	550
Other	116	488
Income taxes	**2,043**	**3,314**
Effective tax rate	-86.5%	136.5%

In Germany, corporate income tax (including the solidarity surcharge) totalled 15.8 per cent in 2024. Trade tax amounts to 12.7 per cent using an average multiplier of 363 per cent.

This resulted in a total statutory tax burden of 28.5 per cent.

Deferred taxes are based on differences in recognition and measurement policies compared to the tax balance sheet ("outside basis differences"); in each case it is assumed that the actual domestic tax rate of 28.5 per cent applies.

No deferred taxes were calculated on outside basis differences amounting to € 12,876 thousand (previous year € 12,281 thousand) since, in these cases, SHW is able to control the timing of their release, and it is likely that the temporary difference will not reverse in the foreseeable future.

The distribution of dividends to shareholders of SHW AG did not have any impact on income tax in previous years and will not have an income tax impact in 2025.

c) Composition of deferred taxes

K EUR	31.12.2024	31.12.2023
Deferred income tax assets		
Property, plant and equipment	1,225	545
Inventories	810	1,096
Other current assets	0	0
Employee benefits	1,805	1,854
Non-current liabilities and provisions	4,316	3,047
Current liabilities, provisions and accruals	1,138	832
Unused tax losses	2,789	3,116
Total gross	**12,083**	**10,490**
Offsetting (previous year: no offsetting)	**-9,911**	**0**
Total net	**2,172**	**10,490**
Deferred income tax liabilities		
Intangible assets	5,939	5,571
Property, plant and equipment	4,555	3,996
Other non-current assets	19	30
Inventories	107	43
Other current assets	137	150
Non-current liabilities and provisions	46	124
Current liabilities, provisions and accruals	26	25
Total gross	**10,828**	**9,939**
Offsetting (previous year: no offsetting)	**-9,911**	**0**
Total net	**917**	**9,939**

Of the total deferred tax assets recognized on unused tax losses, an amount of € 2,463 thousand (previous year € 2,463 thousand) is attributable to SHW AG. It can be assumed that these deferred tax assets recognised on unused tax losses are recoverable to the extent that, after taking account of the minimum taxation rule, taxable temporary differences exceed deductible temporary differences. In the fiscal year SHW AG recognised impairment losses of € 0 thousand (previous year € 424 thousand) on deferred tax assets recognised on unused tax losses.

The Canadian subsidiary, SHW Pumps & Engine Components Inc. carried deferred tax assets of € 27 thousand on unused tax losses (previous year € 221 thousand) as of 31 December 2024. In the opinion of SHW, it can still be assumed as at 31 December 2024 that the deferred tax assets are recoverable because it will be able to offset the unused tax losses against taxable income in the near future due to the measures taken and the improvement in earnings.

Of the total deferred tax assets recognised on unused tax losses, an amount of € 299 thousand (previous year € 434 thousand) is attributable to the subsidiary, SHW do Brasil Ltda. After being severely impacted by the corona pandemic (including temporary plant closures), a profit was once again generated in Brazil in fiscal year 2024. Due to the measures taken, SHW anticipates sustained profits to be made in the coming years.

No deferred tax assets have been presented for unused tax losses at the Romanian subsidiary, SHW Pumps & Engine Components SRL as at 31 December 2024 (previous year € 0 thousand).

d) Deferred taxes directly recognised in equity

K EUR	Before tax	Tax income / expense	After tax
2024			
Actuarial gains / losses from pension provisions and similar obligations	146	-42	104
Currency translation differences	-264	0	-264
Derivatives	-1,267	360	-907
Total	**-1,385**	**318**	**-1,067**
2023			
Actuarial gains / losses from pension provisions and similar obligations	-1,153	327	-826
Currency translation differences	-1,620	0	-1,620
Derivatives	-265	76	-189
Total	**-3,038**	**403**	**-2,635**

Deferred taxes of € 318 thousand were recorded in other comprehensive income in fiscal year 2024 (previous year € 403 thousand).

e) Unrecognised deferred tax assets

No deferred tax assets were recognised as at 31 December 2024 with regard to tax losses of € 2,832 thousand as it is assumed that they will not be realised in the foreseeable future. These are entirely attributable to SHW AG.

f) Global minimum taxation rule

The Group does not operate in any jurisdiction qualifying as a low tax country in the sense of the minimum taxation rule. All subsidiaries and business units of the Group are located in countries with tax rates above the minimum tax rate. The Group pursues a policy of strict compliance with the regulations and the aligns itself with the highest corporate governance standards.

Management continuously monitors tax developments and adapts its business strategy to ensure compliance with the applicable laws and regulations.

17. Cost of materials, personnel expenses, depreciation and amortisation

The cost of sales and other functional costs contain the cost of materials, personnel expenses and depreciation and amortisation, as follows:

COST OF MATERIALS

K EUR	2024	2023
Cost of raw materials and supplies	296,808	213,943
Cost of purchased services	14,198	13,231
Total cost of materials	**311,005**	**227,174**

PERSONNEL EXPENSES

K EUR	2024	2023
Wages and salaries	107,361	102,357
Social security contributions and pension expenses	21,865	25,901
Total personnel expenses	**129,226**	**128,258**

Social security contributions and pension expenses include pension expenses of € 9,466 thousand (previous year € 9,160 thousand). Pension expenses comprise the addition to pension provisions (excluding the interest component) of € 341 thousand (previous year € 284 thousand). Statutory pension insurance expenses totalled € 8,912 thousand (previous year € 8,635 thousand).

Depreciation and amortisation

Depreciation of intangible assets and property, plant and equipment totalled € 31,361 thousand in fiscal year 2024 (previous year € 32,514 thousand), of which € 3,678 thousand (previous year € 3,113 thousand) is due to IFRS 16. For a breakdown of depreciation and amortisation to the individual line items of non-current assets for the fiscal year and the previous year, please see the "Statement of changes in intangible assets and property, plant and equipment" in Note (20).

18. Auditor's fees

K EUR	2024	2023
Auditing services	483	440
of which for previous years	21	43
Other assurance services	3	3
Tax advisory services	0	0
Other services	0	0

19. Employees

Annual average number of employees:

EMPLOYEES

	2024	2023
Pumps and Engine Components business segment		
direct employees	313	334
indirect employees	519	538
Powder Metallurgy business segment		
direct employees	194	197
indirect employees	154	156
Brake Discs business segment		
direct employees	365	354
indirect employees	224	203
Corporate		
indirect employees	43	45
	1,812	**1,826**

Directly employed staff perform a primary task, the costs of which can be directly allocated to a product. Indirectly employed staff perform tasks that support the primary task but the associated costs cannot be directly allocated to a product.

IV. Notes to the consolidated balance sheet

20. Statement of changes in intangible assets and property, plant and equipment

	Acquisition and production costs					
K EUR	As at 1.1.2024	Additions	Reclassification	Disposals	Exchange rate differences	As at 31.12.2024
Intangible assets						
Goodwill	7,055	0	0	0	0	7,055
Internally generated assets	36,649	4,041	0	-791	0	39,899
Other intangible assets	15,845	544	-2	-848	-29	15,510
	59,549.00	**4,586**	**-2**	**-1,640**	**-29**	**62,464**
Property, plant and equipment						
Land, land rights and buildings	90,540	12,608	437	-774	311	103,122
Technical equipment and machinery	282,475	6,762	5,756	-5,386	275	289,883
Other equipment, operating and office equipment	60,906	4,106	1,177	-1,614	-38	64,537
Advance payments and assets under construction	19,377	26,248	-8,790	-6,286	245	30,794
	453,298	**49,725**	**-1,421**	**-14,059**	**793**	**488,336**
Total	**512,847**	**54,311**	**-1,423**	**-15,699**	**765**	**550,800**

	Acquisition and production costs					
K EUR	As at 1.1.2023	Additions	Reclassification	Disposals	Exchange rate differences	As at 31.12.2023
Intangible assets						
Goodwill	7,055	0	0	0	0	7,055
Internally generated assets	31,783	5,058	0	-192	0	36,649
Other intangible assets	15,238	548	61	-2	0	15,845
	54,076	**5,606**	**61**	**-194**	**0**	**59,549**
Property, plant and equipment						
Land, land rights and buildings	83,550	958	895	5,913	-776	90,540
Technical equipment and machinery	249,370	10,800	5,760	17,979	-1,434	282,475
Other equipment, operating and office equipment	54,876	5,902	1,189	-1,026	-35	60,906
Advance payments and assets under construction	13,627	13,861	-7,905	-46	-160	19,377
	401,423	**31,521**	**-61**	**22,820**	**-2,405**	**453,298**
Total	**455,499**	**37,127**	**0**	**22,626**	**-2,405**	**512,847**

Depreciation and amortisation						Net carrying amounts	
As at 1.1.2024	Additions	Reclassification	Disposals	Exchange rate differences	As at 31.12.2024	31.12.2024	01.01.2024
0	0	0	0	0	0	7,055	7,055
17,346	2,670	0	-495	0	19,521	20,378	19,303
12,994	953	0	-751	-25	13,171	2,339	2,851
30,340	**3,623**	**0**	**-1,245**	**-25**	**32,692**	**29,772**	**29,209**
40,507	5,089	21	-342	125	45,400	57,722	50,033
204,816	16,934	0	-5,682	270	216,339	73,544	77,659
40,413	5,717	111	-1,463	-19	44,759	19,777	20,493
0	0	0	0	0	0	30,794	19,377
285,736	**27,739**	**132**	**-7,486**	**377**	**306,498**	**181,837**	**167,562**
316,076	**31,362**	**132**	**-8,731**	**352**	**339,190**	**211,609**	**196,771**

Depreciation and amortisation						Net carrying amounts	
As at 01.01.2023	Additions	Reclassification	Disposals	Exchange rate differences	As at 31.12.2023	31.12.2023	01.01.2023
0	0	0	0	0	0	7,055	7,055
14,887	2,459	0	0	0	17,346	19,303	16,896
11,997	1,002	0	-2	-3	12,994	2,851	3,241
26,884	**3,461**	**0**	**-2**	**-3**	**30,340**	**29,209**	**27,192**
30,243	4,626	0	5,903	-265	40,507	50,033	53,307
169,289	18,451	0	17,995	-919	204,816	77,659	80,081
35,456	5,976	0	-990	-29	40,413	20,493	19,420
0	0	0	0	0	0	19,377	13,627
234,988	**29,053**	**0**	**22,908**	**-1,213**	**285,736**	**167,562**	**166,435**
261,872	**32,514**	**0**	**22,906**	**-1,216**	**316,076**	**196,771**	**193,627**

Intangible assets

Intangible assets which were not acquired in the course of a business combination are capitalised at their acquisition cost. The acquisition costs of intangible assets acquired through a business combination are recognised at fair value as at the acquisition date. In subsequent periods, intangible assets are recognised at cost, less accumulated amortisation and impairment losses. A distinction is made between intangible assets with limited useful lives and those with indefinite useful lives. Aside from goodwill, the SHW Group currently does not possess any intangible assets with indefinite useful lives.

Intangible assets with limited useful lives are amortised using the straight-line method over their economic useful life of two to ten years. The useful life and amortisation methods are reviewed at the end of each fiscal year and adjusted if necessary.

Research costs are recognised in the period incurred. Project development costs are only capitalised as intangible assets when the SHW Group can verify the technical feasibility of completing the intangible asset which would allow for the internal use or sale of the asset, as well as the intention of completing the intangible asset and the intention to use or to sell the asset. Furthermore, the SHW Group must be able to demonstrate that asset will generate future economic benefits, that resources are available to complete the asset, and that it can reliably identify the expenses incurred and attribute these to the development of the intangible asset. Development costs include directly attributable costs, as well as a proportionate share of overheads. Selling expenses and administrative expenses are not included. For development projects not yet completed, tests are carried out at the end of each fiscal year to ascertain whether there is objective evidence of impairment.

If an internally generated intangible asset cannot be capitalised or an intangible asset does not yet exist, then the development costs are recognised in profit or loss in the period in which they arise.

In the reporting year, there were no borrowing costs, as defined by IAS 23, recorded under intangible assets or property, plant and equipment.

No right-of-use assets pursuant to IFRS 16 were recognised under intangible assets (due to the use of the practical expedients).

Additions to internally generated intangible assets mainly resulted from capitalised development expenditure of € 4,041 thousand (previous year € 5,058 thousand).

Other intangible assets mainly consist of software and licenses.

Depreciation and amortisation of intangible assets and property, plant and equipment are included in functional costs and particularly in the cost of sales. Impairment losses are presented under other operating expenses.

Purchase commitments for intangible assets and property, plant and equipment amount to € 29,390 thousand (previous year € 22,501 thousand).

Goodwill

Goodwill is carried at acquisition cost upon initial recognition and is measured as the premium paid in the business combination in excess of the SHW Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities of the business acquired. Following initial recognition, goodwill is measured at acquisition cost less accumulated impairment losses.

Goodwill is subject to an impairment test once a year or when needed and written down where necessary. To test for impairment, the goodwill is allocated as at the acquisition date to cash-generating units in the SHW Group that are expected to benefit from the synergies of the business combination.

This occurs regardless of whether other assets or liabilities of the acquired business are allocated to these cash-generating units. If the recoverable amount of a cash-generating unit is less than the unit's carrying amount, the impairment loss is first allocated to the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis and in accordance with the carrying amount of each asset in the unit. Any recognised impairment loss on goodwill may not be reversed in subsequent periods.

Goodwill acquired within the context of business combinations was allocated to the following two (previous year two) cash-generating units (CGUs) for impairment testing:

- Pumps and Engine Components CGU
- Brake discs CGU

The recoverable amount of the two (previous year two) CGUs was calculated on the basis of their fair value less costs to sell. This calculation was made using EBIT forecasts that are based on the financial plan for the years from 2025 to 2029 approved by management. The determination of fair value is carried out according to level 3 of the valuation hierarchy as defined by IFRS 13. Calculation of the terminal value is based on an inflation/growth discount of 0 per cent (previous year 1.0 per cent).

For the EBIT forecasts, a 9.08 per cent discount rate was used (previous year 10.1 per cent). This represents the pre-tax risk-adjusted weighted average cost of capital (WACC).

Goodwill was allocated to the relevant CGUs as follows:

CARRYING AMOUNT OF GOODWILL

K EUR	31.12.2024	31.12.2023
Pumps and Engine Components	4,233	4,233
Brake Discs	2,822	2,822
Total	**7,055**	**7,055**

EBIT forecasts used for testing goodwill for impairment are based on the following assumptions:

Planned gross margins

The gross margins in the planning period were determined on the basis of standard cost estimates and empirical values. During the planning period, sales were calculated mainly on the basis of already existing customer orders and the potential from customer projects

Planned EBIT margin

EBIT forecasts are based on averages from past experience as well as on estimates of future developments and show a trend for rising margins overall. The fundamental assumptions made coincide with those from external sources of information. The planned EBIT margin of the CGUs within the planning horizon lie in a range between 3.3 per cent and 15.0 per cent (previous year 1.8 and 12.1 per cent).

Discount rates

The discount rate was derived from a risk-free interest rate after tax of 2.6 per cent (previous year 3.0 per cent) and an after-tax market risk premium of 6.9 per cent (previous year 6.5 cent cent).) The beta factor, capital structure and cost of debt were derived from the data for a peer group of comparable companies.

The recoverable amount is compared with the corresponding carrying amount of the relevant CGU. An impairment of goodwill is recognised if the recoverable amount is less than the carrying amount of the CGU. The annual goodwill impairment test revealed there was no need for impairment. Even if there was an increase of 0.5 percentage points in the discount rate or a change in the EBIT forecasts of 10.0 per cent there would not be a need to record any impairment loss in the Pumps and Engine Components CGU nor in the Brake Discs CGU.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The production costs of internally constructed property, plant and equipment comprise the direct costs of production and overheads directly attributable to the asset, including depreciation.

Property, plant and equipment are depreciated using the straight-line method over their expected useful lives. The carrying amount of property, plant and equipment is tested for impairment when there is an indication that the asset's carrying amount exceeds its recoverable amount.

Depreciation is based on the following useful lives:

Asset category	Useful life
Buildings	14 to 40 years
Land improvements	8 to 20 years
Technical equipment and machinery	5 to 15 years
Operating and office equipment	3 to 14 years

At the end of each fiscal year, the residual values, useful lives, and depreciation methods are reviewed and adjusted accordingly. An item of property, plant and equipment is derecognised either upon its disposal or when there are no future economic benefits expected from its use or disposal. Gains or losses resulting from an asset's derecognition are recorded in profit or loss

Impairment of property, plant and equipment and intangible assets

At the end of each fiscal year, the SHW Group reviews the carrying amounts of property, plant and equipment and intangible assets in order to determine if there are any indications of impairment. If there are such indications, then the asset's recoverable amount is estimated to determine the extent of any impairment loss. The recoverable amount of the asset's cash-generating unit is estimated when the recoverable amount of an individual asset cannot be determined because the cash flows it generates are not essentially independent of the cash flows of other assets or groups of assets. If a reasonable and consistent basis can be identified for allocating cash flows, the shared assets are allocated to the respective cash generating units. Otherwise, they are allocated to the smallest group of cash generating units for which a reasonable and consistent basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. An appropriate valuation model is used to determine the fair value less costs to sell. If the value in use is higher than its carrying amount, the CGU is not measured at fair value less costs to sell. When calculating the value in use, the future estimated cash flows are discounted to their present value by using a pre-tax interest rate. This pre-tax interest rate takes current market assessments of the time value of money into account and the risks inherent in the asset that are not included in the initial cash flow estimate.

If the estimated recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, then the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is immediately recognised in profit or loss. If the impairment loss is subsequently reversed, then the carrying amount of the asset (or cash-generating unit) will be increased through profit or loss up to the revised estimate of the recoverable amount.

The increase in the carrying amount shall not exceed the carrying amount that would have been determined if an impairment loss had not been recognised on the asset (or cash-generating unit) in previous years.

With regard to internally-generated intangible assets that are not yet eligible for amortisation, an impairment test is conducted each reporting date in accordance with the relevant requirements of IFRS, regardless of whether there is any indication of impairment or not.

Borrowing costs

If significant, interest on borrowed capital is capitalised in the case of qualifying assets as defined by IAS 23.

21. Other non-current financial assets and other assets

Non-current other financial assets break down as follows:

K EUR	31.12.2024	31.12.2023
Cash surrender value of pension insurance policies	173	190
Interest swaps used for hedging purposes	141	300
Total	**314**	**490**

Of the other non-current assets, a total of € 2.634 thousand (previous year € 3,996 thousand) are prepaid expenses, of which € 2,377 thousand (previous year € 3,429 thousand) are incremental costs of obtaining contracts.

22. Inventories

K EUR	31.12.2024	31.12.2023
Raw materials and supplies	33,601	35,658
Unfinished products	27,242	26,211
Finished products	21,625	17,785
Total	**82,468**	**79,654**

Inventories are carried at cost or net realisable value, if lower. Net realisable value is the estimated selling price of the inventories, less all estimated expenses considered necessary for completion and sale. Production costs include direct costs as well as the directly allocable portion of necessary materials and production overhead costs plus completion-related depreciation and other production-related costs. Selling expenses, non-production-related general administrative expenses, and borrowing costs are not capitalised. Raw materials and merchandise are generally measured at their average acquisition cost.

Inventories are recognised at their net realisable value when the net realisable value is lower than the carrying value on the closing date. Appropriate impairments on inventory are recognised for inventory risks resulting from excessive storage periods or reduced saleability.

Inventories do not contain any qualifying assets as defined by IAS 23.

Impairments of inventories in fiscal year 2024 amounted to € 2,948 thousand (previous year € 3,111 thousand). The change compared to the previous year is posted through profit or loss under the cost of sales or the applicable functional costs.

The acquisition and production costs of inventories, which are recognised as an expense under the cost of sales and other function costs, amounted to € 316,767 thousand (previous year € 231,684 thousand).

The net realisable value totalled € 82,468 thousand (previous year € 79,654 thousand).

23. Trade receivables

K EUR	31.12.2024	31.12.2023
Receivables from customers	51,354	56,523
Impairment losses	0	-1
Allowance for doubtful debt	-751	-1,602
Total	**50,603**	**54,920**

As in previous years, SHW has concluded factoring agreements (non-recourse factoring) to improve its liquidity. As of 31 December 2024, the net balance of factored receivables came to € 9,245 thousand (previous year € 11,871).

Trade receivables are non-interest bearing and generally have terms ranging from 30 to 90 days.

With regard to trade receivables that are neither impaired nor past due, there are no indications as at the balance sheet date that any debtor is not able to meet its payment obligations. The impairment model applied by the SHW Group for its trade receivables is presented in Note (33).

24. Current other financial assets and other assets

Current other financial assets mainly consist of insurance claims of € 0 thousand (previous year € 921 thousand) and security deposits of € 339 thousand (previous year € 327 thousand).

Current other assets mostly consist of input tax receivables of € 5,460 thousand (previous year € 8,400 thousand), outstanding refunds of electricity and energy tax of € 1,303 thousand (previous year € 663 thousand) receivables from tax-free research grants of 813 thousand (previous year € 0 thousand), the current portion of the incremental costs of obtaining contracts of € 1,457 thousand (previous year € 1,553 thousand), advance payments and prepaid expenses of € 1,395 thousand (previous year € 945 thousand) and advance payments for inventories of € 321 thousand (previous year € 256 thousand).

25. Cash and cash equivalents

K EUR	**31.12.2024**	31.12.2023
Cash at banks, cheques, cash in hand	11,463	15,621
Total	**11,463**	**15,621**

Cash and cash equivalents recognised on the consolidated balance sheet comprise cash in hand, bank balances and short-term deposits with original maturities of less than three months.

Cash at banks earns variable interest rates for deposits subject to notice of up to three months.

26. Equity

The changes in equity are shown in the “Consolidated statement of changes in equity”.

Subscribed capital and capital reserves

The subscribed capital of SHW AG comprises 6,436,209 (previous year 6,436,209) no-par value registered shares each allotted a share of € 1.00 in share capital per no-par value share. The shares are fully paid up.

The capital reserves include the premiums from the issue of shares less transaction costs directly attributable to raising capital.

Revenue reserves and other reserves

The revenue reserves include the consolidated net profit from previous years carried forward.

Other reserves include any changes in value that are recognised directly in equity and break down as follows:

In fiscal year 2024, other reserves increased by € 907 thousand, primarily due to changes in the fair value of interest swaps. Derivatives less the related deferred taxes are recorded in other comprehensive income pursuant to IFRS 9. Actuarial gains and losses less the related deferred taxes are recorded in other comprehensive income pursuant to IAS 19.

K EUR	Pension liabilities	Derivatives	Foreign currency translation	**Total other reserves**
As at 1 January 2023	810	405	-1,839	-624
Other comprehensive income	-826	-189	-1,620	-2,635
As at 31 December 2023	**-16**	**216**	**-3,459**	**-3,259**
Other comprehensive income	104	-907	-264	-1,067
As at 31 December 2024	**88**	**-691**	**-3,723**	**-4,326**

Authorised capital

Section 4 (4) of the Articles of Association was revised following a resolution passed by the Annual General Meeting on 23 June 2020. With the consent of the Supervisory Board, the Articles of Association thus authorise the Management Board to increase the Company's share capital once or several times, until 22 June 2025, by up to € 3,218,104.00 by issuing new no-par value shares against contributions in cash and/or in kind (Authorised Capital 2020). Moreover, the Management Board is entitled to consult with the Supervisory Board on the further details and execution of a capital increase. The shareholders have a basic right to subscribe to shares. The new shares could be underwritten by one or more banks or equivalent institutes as defined by Section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. However, the Management Board is authorised, with consent from the Supervisory Board, to fully or partially exclude the subscription rights of shareholders in certain cases and determine the further details of a capital increase and its execution.

Contingent capital

Section 4 (4) of the Articles of Association was revised following a resolution passed by the Annual General Meeting on 23 June 2020. The Articles of Association authorise the Management Board, with the consent of the Supervisory Board, to issue bearer and/or registered convertible and / or warrant bonds on one or more occasions until 22 June 2025 (inclusive) for a total nominal amount of up to € 60,000,000.00 with a limited or unlimited term to maturity. It will also be authorised to grant conversion or warrant rights to the bearers / creditors of bonds entitling them to subscribe to up to 3,000,000 new bearer or – if the existing shares in the Company are registered at the time that the new shares are issued – registered no-par value shares accounting for share capital of up to € 3,000,000.00 in total in accordance with the more detailed provisions of the terms and conditions of the convertible / warrant bonds and / or afford the Company corresponding conversion rights (Contingent Capital 2020).

27. Employee benefit obligations

Non-current obligations for employee benefits break down as follows:

K EUR	**31.12.2024**	31.12.2023
Pension provisions and similar obligations	19,017	19,287
Provisions for semi-retirement obligations	3,203	2,920
Provisions for service anniversary bonuses	1,968	2,073
Total	**24,188**	**24,281**

Pension provisions and similar obligations

The SHW Group has two defined benefit plans in Germany with essentially uniform conditions. They are measured on the basis of actuarial principles using the projected unit credit method and take into account the future development of salaries and pensions as well as the 2018 G reference tables ("RICHTTAFELN") published by Heubeck-Richttafeln-GmbH on 4 October 2018, which are applicable in Germany for the measurement of occupational pension obligations for fiscal years ending after the date of their publication. The actuarial interest rate is based on first-class, fixed-interest corporate bonds with an AA rating. The company pension plan is largely based on direct defined benefit plans. As a rule, the benefits are measured in accordance with the employee's duration of service. The previous company pension plan is not available to employees who started on or after 1 January 1999. In contrast to this earlier plan, employees now must pay half of the plan contributions themselves.

The pension plans are funded by recognising pension provisions, and in some cases liability insurance policies were concluded. In those case where the insurance policies qualify as plan assets, these were offset against the pension provisions, as outlined below. Where the insurance policies do not qualify as plan assets, their cash surrender value was reported under "other non-current financial assets" (see Note (21)).

Actuarial gains and losses, which arise from changes in actuarial assumptions and deviations between earlier actuarial assumptions and the actual development, are recorded directly in equity under other reserves at the time they arise and after considering deferred tax. The actuarial gains and losses recognised under other reserves and the resulting deferred taxes are not reversed in the income statement in subsequent periods. The actuarial gains and losses recognised in the respective period and the related deferred taxes are shown separately in the statement of comprehensive income.

Changes in the level of benefits with retroactive effect on entitlements already earned resulting from adjustments to the plan are directly recognised in the operating result in the year in which the plan is adjusted.

Expenses from unwinding the discount on pension provisions discounted to net present value are recorded under financial expenses. The remaining components of net pension expenses are included in the income statement under the respective functions.

Pension provisions and similar obligations include pension provisions of € 19,016 thousand (previous year € 19,287 thousand), including death benefits of € 132 thousand (previous year € 140 thousand).

For defined contribution plans, the SHW Group has no further obligations above and beyond the payment of contributions and pension insurance contributions and social contributions to a special purpose fund. These contributions are recognised as expenses under the relevant functions.

In the reporting year, employer contributions of approximately € 8.9 million were paid to the statutory pension scheme in Germany (previous year € 8.6 million). In addition, contributions of approximately € 0.2 million (previous year € 0.2 million) were paid into special-purpose funds.

The following assumptions have been made:

per cent	31.12.2024	31.12.2023
Interest rate	3.6	3.6
Pension trend	2.0	2.0

A pension trend of 3.53 per cent was assumed for one vested entitlement (previous year one).

Employees are promised a fixed sum, regardless of their salary. Therefore, changes in the salary trend are not assumed. Any adjustments required by law are carried out by adjusting the trend in pension levels. The projected benefit obligation shows the employees' pension entitlements measured according to the situation on the balance sheet date. This includes actuarial gains or losses resulting from differences between the expected risks and those that have occurred in individual cases.

In accordance with IAS 19, provisions for pension obligations also take actuarial gains and losses into account. They are shown in other comprehensive income within equity. Actuarial gains (previous year losses) resulting from a change in actuarial assumptions and demographic factors or from experience-based adjustments amounted to € +148 thousand in the fiscal year (previous year € - 1,153 thousand).

The pension provisions recognised in the consolidated balance sheet break down as follows:

K EUR	31.12.2024	31.12.2023
Defined benefit obligation (funded)	136	129
Defined benefit obligation (unfunded)	18,945	19,221
Total defined benefit obligation (DBO)	**19,081**	**19,350**
Fair value of plan assets	-65	-63
Pension provisions	**19,016**	**19,287**

The pension provision developed as follows:

K EUR	
Provision as at 1 January 2023	**18,368**
Current service cost	284
Interest cost	747
Gain from plan assets, excluding amounts already recognized in interest income	0
Pension payments	-1,159
Actuarial gains and losses from the change in actuarial assumptions	1,552
Actuarial gains and losses from the change in demographic factors	-397
Actuarial gains and losses from experience adjustments	-108
Provision as at 31 December 2023	**19,287**
Current service cost	341
Interest cost	673
Pension payments	-1,140
Actuarial gains and losses from the change in actuarial assumptions	2
Actuarial gains and losses from the change in demographic factors	0
Actuarial gains and losses from experience adjustments	-148
Compensation	0
Reversal	1
Provisions as at 31 December 2024	**19,016**

The defined benefit obligation (DBO) developed as follows:

K EUR	2024	2023
Defined benefit obligation (DBO) 1 January	**19,350**	**18,429**
Current service cost	341	284
Interest cost	677	751
Pension payments	-1,140	-1,266
Actuarial gains and losses from the change in actuarial assumptions	1	1,625
Actuarial gains and losses from the change in demographic factors	0	0
Actuarial gains and losses from experience adjustments	-148	-473
Defined benefit obligation (DBO) 31 December	**19,081**	**19,350**

Plan assets developed as follows:

K EUR	2024	2023
Fair value of plan assets as at 1 January	**63**	**61**
Interest income	3	3
Gain from plan assets, excluding amounts already recognized in interest income	-1	-1
Plan assets as at 31 December	**65**	**63**

The plan assets are composed of one (pledged) insurance policy (life insurance). The plan assets do not include separate financial instruments or assets used by the Company. There will be no employer contributions to the plan assets in 2025.

The net pension expenses for defined benefit obligations break down as follows:

K EUR	2024	2023
Current service cost	341	284
Net interest cost	673	747
Net pension cost	**1,014**	**1,031**

Liabilities from defined benefit plans are as follows:

K EUR	31.12.2024	31.12.2023
Active employees	6,297	6,059
Former employees with vested rights	1,690	1,567
Pensioners / other	11,029	11,661
Pension provisions	**19,016**	**19,287**

The current service costs are included in the cost of sales, selling expenses, general administrative expenses, and research and development costs. Interest is recognised under interest expenses. Pension payments are expected to amount to € 1,128 thousand in fiscal year 2025. Pension payments of this amount are also expected for the years to come. The pension plan costs in 2025 are expected to amount to € 1,012 thousand.

The risks associated with the defined benefit obligations concern the actuarial risks such as longevity and other financial risks such as market risk, which can be influenced by interest rates. There are also inflation risks that can have an impact on future pension trends. There is no intention to hedge these risks.

Sensitivity analysis

An increase or decrease in the key actuarial assumptions (as at 31 December 2024 interest rate of 3.6 per cent, inflation rate of 2.0 per cent) would have the following impact on the present value of the Defined Benefit Obligation (DBO):

K EUR		DBO
Change in the interest rate 3.1% (-0.5%)	20,537	19,081
Change in the interest rate 4.1% (+0.5%)	17,806	19,081
Change in inflation rate 1,5% (-0,5%)	17,992	19,081
Change in inflation rate 2,5% (+0,5%)	20,012	19,081
Change in life expectancy +1 year	19,892	19,081

The weighted duration of pension provisions amounts to 14.4 years (previous year 14.2 years) as at 31 December 2024.

Provisions for long-service awards and phased retirement obligations

Other non-current employee benefits are likewise measured using the projected unit credit method.

The provisions for long-service awards and phased-retirement obligations developed in the fiscal year and the previous year as follows:

K EUR	
Provision as at 1 January 2023	**4,501**
Additions	1,305
Utilised	-813
Provision as at 31 December 2023	**4,993**
Additions	948
Utilised	-751
Releases	-19
Provision as at 31 December 2024	**5,171**

28. Other provisions

K EUR	As at 31.12.2023	Utilised	Reversals	Reclassification	Additions	**As at 31.12.2024**
Warranties	1,126	-15	0	16	869	1,996
Other business-related obligations	1,803	-286	-981	13	1,248	1,797
Other provisions	105	-1	-9	-29	191	257
Total	**3,034**	**-302**	**-990**	**0**	**2,309**	**4,050**
of which non-current provisions	29	0	0	0	0	29

K EUR	As at 31.12 2022	Utilised	Reversals	Reclassification	Additions	**As at 31.12.2023**
Warranties	1,593	-473	-21	-314	341	1,126
Other business-related obligations	1,455	-381	-178	-12	919	1,803
Other provisions	88	-82	0	326	-226	105
Total	**3,135**	**-936**	**-199**	**0**	**1,034**	**3,034**
of which non-current provisions	29	0	0	0	0	29

Other provisions are the best estimate of all identifiable risks and contingent liabilities and are recognised at the amount required to fulfil the current obligation on the balance sheet date. Provisions are recognised when there is a legal or constructive obligation resulting from a past event that makes a future outflow of resources likely and when the amount of the obligation can be reliably estimated. If the impact of the interest effect is material, non-current provisions are discounted using a pre-tax interest rate. Current provisions are expected to be utilised within the next fiscal year.

Non-current other provisions of € 29 thousand (previous year € 29 thousand) comprise obligations to archive business documents.

Warranties

A provision was established for warranty obligations from the sale of products sold in the last three years. The measurement of the provision is based on past experience of repairs and customer complaints. In existing warranty cases, the amount is based on the expected result of the negotiations.

Other business-related obligations

Other business-related obligations primarily comprise customer project and product-related provisions of € 1,060 thousand (previous year € 1,397 thousand).

29. Liabilities

K EUR	31.12.2024	31.12.2023
Non-current liabilities to banks	101,670	87,582
Other non-current financial liabilities	20,773	11,246
Interest swaps used for hedging purposes	1,120	0
Non-current liabilities	**123,562**	**98,828**
Current liabilities to banks	7,182	10,434
Trade payables	63,324	69,466
Contract liabilities	1,096	270
Other current financial liabilities	18,858	22,538
Income tax liabilities	824	528
Other liabilities	10,139	12,597
Current liabilities	**101,423**	**115,833**
Total	**224,985**	**214,661**

Liabilities to banks

A new financing agreement was entered into on 16 November 2023 with a syndicate of banks led by Commerzbank AG and UniCredit Bank AG as joint lead arrangers. The financing agreement provides for a lending volume of € 130.0 million and a basic term of three years. There is an option to prolong the agreement by another two years in total subject to approval from the banks. The basic term expires on 15 November 2026. The syndicated financing arrangement is not secured. The interest rate is variable and is based on EURIBOR plus an interest margin between 1.0 per cent and 2.55 per cent per annum, depending on the agreed covenants. The covenants relate to (a) net debt (ratio of net debt to EBITDA) and (b) the equity ratio. Both covenants were complied with as at 31 December 2024. The Management Board is informed of interest positions on a regular basis. Interest risk is hedged against to some extent by entering into swaps. More details on swaps and their measurement can be found in Note (33).

At the end of the year an amount of € 86,778 thousand had been drawn down from the syndicated loan (previous year € 74,867 thousand) and € 2,591 thousand (previous year € 2,591 thousand) for bank guarantees. In addition, the SHW Group entered into two long-term loans in fiscal 2024 for a total of € 10,560 thousand. The loans bear interest within the range laid out in the syndicated loan agreement. The loans were serviced as scheduled in the year with total repayments of principal of € 11,094 thousand. Reference is made to Note (30) for more information.

Trade payables

The payment obligations for purchased materials are secured by retention of title clauses, as is customary in the industry.

Other financial liabilities

Other financial liabilities mainly consist of lease liabilities of which € 18,714 thousand (previous year € 9,491 thousand) are non-current and € 3,658 thousand (previous year € 3,007 thousand) are current. Reference is made to Note (34) for more information. The increase in lease liabilities is primarily due to the addition of a right-of-use asset originating from a sale and leaseback transaction with an affiliated company.

In addition, current other financial liabilities mainly consist of liabilities of € 10,755 thousand (previous year € 8,129 thousand) related to factoring and expenses accrued for goods and services received in fiscal year 2024 already but for which the invoice was not recorded until fiscal year 2025.

Other liabilities

As in the previous year, other liabilities mainly consist of obligations towards employees. Current other liabilities towards employees consist of liabilities for overtime and work-time credits (€ 3,229 thousand, previous year € 3,430 thousand), severance payments (€ 1,770 thousand, previous year € 1,581 thousand), vacation accrued (€ 1,531 thousand, previous year € 1,540 thousand), the inflation adjustment allowance (€ 0 thousand, previous year € 1,491 thousand) and bonuses/management incentives (€ 698 thousand, previous year € 363 thousand). Furthermore, liabilities from wage and church tax (€ 1,024 thousand, previous year € 1,214 thousand), VAT of € 80 thousand (previous year € 1,055 thousand) and employers' liability insurance (€ 148 thousand, previous year € 284 thousand) are reported under current other liabilities.

Government grants

Government grants are recognised at fair value if it can be assumed with great certainty that the grants will be given and that the SHW Group fulfils the necessary conditions for the grants' receipt.

Government grants for costs are recognised over the period in which the related costs for which the grant was given in compensation are incurred. Performance-based grants are offset against the respective expenses which they are intended to compensate, in accordance with IAS 20.29 et seq.

Government investment grants are deducted from the cost of the associated assets. In 2024, the SHW Group received approval for a grant of € 982 thousand to fund the construction of a manufacturing hall. There were no uncertainties or unfulfilled conditions attached to the grant on the reporting date. No reduction is expected in the volume of the grant.

30. Contingent liabilities and other financial obligations

There were no contingent liabilities in fiscal years 2024 or 2023.

As of 31 December 2024, there are contractual obligations to purchase intangible assets and property, plant and equipment of € 29,390 thousand (previous year € 22,501 thousand).

V. Notes to the Cash Flow Statement

The cash flows shown in the cash flow statement are divided into three categories: operating activities, investing activities and financing activities.

As at the balance sheet date, investments of € 1,727 thousand (previous year € 1,281 thousand) made in property, plant and equipment assets were capitalised for which no cash outflows occurred during the fiscal year. On the other hand, cash outflows for investments in property, plant and equipment made in the previous year amounted to € 1,281 thousand (previous year € 3,219 thousand). Furthermore, there were no cash outflows in the year from the recognition of right-of-use assets pursuant to IFRS 16 in connection with leases for property, plant and equipment of € 13,204 thousand (previous year € 1,547 thousand).

The amount of cash and cash equivalents shown in the cash flow statement is comprised of the cash and cash equivalents presented in the consolidated balance sheet.

As at the reporting date, short-term loans (money market loans) came to € 60,000 thousand (previous year € 62,500 thousand). The loans totalling € 60,000 thousand are all short-term loans that mature within three months. Under the terms of the syndicated loan agreement it is possible to unilaterally exercise an option to revolve the credit beyond this term. In light of the fact that we intend to exercise this option, the liabilities to banks have been presented under non-current liabilities. In addition, overdraft facilities that are used for cash management purposes were drawn on by an amount of € 26,778 thousand (previous year € 12,367 thousand). According to the syndicated loan agreement, the overdrafts only need to be repaid at the end of the term of the agreement. Therefore these are also classified as non-current.

A reconciliation of the movements from liabilities from financing activities to the cash flows from financing activities for the fiscal year and the previous year is shown below:

K EUR	Non-current liabilities to banks	Current liabilities to banks	Liabilities from leases	Sundry other financial liabilities	**Total liabilities from financing activities**
As at 1. January 2024	**87,582**	**10,434**	**12,498**	**8,037**	**118,551**
Changes in due term (non-current to current)	1,595	-1,595	0	0	0
Cash received (+) from the assumption of financial liabilities	23,583	-1,657	0	0	21,926
Cash paid (-) for the redemption of financial liabilities	-11,090	0	0	-937	-12,027
Cash received (+) from other financial liabilities	0	0	0	1,977	1,977
New leases	0	0	12,661	0	12,661
Interest expense from leases	0	0	543	0	543
Cash paid (-) for leases	0	0	-3,331	0	-3,331
As at 31. December 2024	**101,670**	**7,182**	**22,371**	**9,077**	**140,300**

K EUR	Non-current liabilities to banks	Current liabilities to banks	Liabilities from leases	Sundry other financial liabilities	**Total liabilities from financing activities**
As at 1. January 2023	**91,471**	**9,358**	**14,438**	**2,000**	**117,267**
Changes in the due term (current to non-current)	581	-581	0	0	0
Cash received (+) from the assumption of financial liabilities	8,555	1,657	0	4,970	15,182
Cash paid (-) for the redemption of financial liabilities	-13,025	0	0	0	-13,025
Cash received from other financial liabilities	0	0	0	1,067	1,067
New leases	0	0	1,750		1,750
Interest expense from leases	0	0	236	0	236
Cash paid (-) for leases	0	0	-3,926	0	-3,926
As at 31. December 2023	**87,582**	**10,434**	**12,498**	**8,037**	**118,551**

The current account loans used for cash management purposes are presented at the amount at which they changed over the year.

Reference is made to the separate “Consolidated statement of changes in equity” for the cash flows from financing activities associated with the owners.

VI. Financial instruments and capital management

31. Background

According to IFRS, financial instruments are defined as contractual arrangements that create a financial asset for one entity and a financial liability or equity instrument for another. Financial assets (excluding FLL) and financial liabilities are measured at fair value upon initial recognition.

Financial assets in the sense of IFRS 9 are classified in terms of how the assets are treated depending on the business model of the group. Financial assets are measured correspondingly either at amortised cost (“held”), or (a) at fair value through other comprehensive income (“held and sold”) or (b) at fair value through profit or loss (“held for trading”). The SHW Group intends to hold its financial assets until maturity. Financial assets are allocated to the three measurement categories (AC, FVTPL FVOCI) pursuant to IFRS 9.4.1.2 on the basis of the business model and the qualities of the cash flow.

Financial liabilities are measured at FVTPL if they are classified as held-for-trading, are derivatives or are designated as such upon initial recognition.

Financial assets and financial liabilities are presented separately on the balance sheet, i.e. separate from non-financial assets and non-financial liabilities.

Financial instruments are recognised once the SHW Group becomes the counterparty to the financial instrument. In the case of standard purchases or sales within the scope of a contract whose terms stipulate delivery of the asset within a given period which is normally prescribed by regulations or conventions on the respective market, the date of fulfilment – i.e. the date as at which the asset is delivered to or by the SHW Group – will be relevant for its initial balance sheet recognition and for its retirement from the balance sheet.

Financial assets and financial liabilities are derecognised when the claims or obligations underlying these assets or liabilities are settled, cancelled, transferred or have lapsed.

Trade receivables

Trade receivables are the amounts owed by customers for regular-way trades of goods and services. They are generally payable within 30 to 90 days and are therefore classified as current. Trade receivables without any material financing component are measured at their transaction price upon initial recognition. However, if the Group has an unconditional right to an amount that differs from the transaction price (e.g. due to arranged refunds), trade receivables are measured at the unconditional amount of the underlying claim upon initial recognition.

The SHW Group holds trade receivables in order to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method. Details on the methods for testing impairment in the SHW Group and recognising loss allowances are presented in Notes (23) and (33).

Other financial assets measured at amortised cost

The SHW Group measures other financial assets at amortised cost when the following two criteria are satisfied:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest-bearing loans / borrowings

Upon initial recognition, interest-bearing borrowings are recognised at fair value less transaction costs associated with the borrowing. Following their initial recognition, interest-bearing borrowings are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or amortised. With regard to loans, fair value does not differ materially from the carrying amounts as the interest payments on these loans either very nearly match the market rates or the borrowings are short-term by nature.

Derivative financial instruments and hedging transactions

A derivative financial instrument is a financial instrument whose value varies based on a reference value which generally does not require any acquisition costs or only requires minor acquisition costs and which is settled as at a later date.

At present, the SHW Group carries derivative financial instruments in the form of interest swaps, which are measured at fair value in accordance with IFRS 9 and designated as cash flow hedges. SHW hedges against its future exposure to variable interest rates on its anticipated financing requirements using a number of similar interest swaps. The underlying transaction and the hedging instrument are exposed to identical risks. The risk is clearly identifiable. Due to different dates of the designation, the variable interest rate of the underlying does not fully match the variable interest rate of the hedging instrument. Thus the future cash flows are slight time-shifted, resulting in corresponding hedge inefficiency. When material, the inefficient portion is posted through profit or loss. The effective portion of the change in fair value, which is posted to other comprehensive income, is limited to the cumulative change in the fair value of the underlying (calculated at present value) since the inception of the hedge. When a hedging relationship no longer meets the qualifying criteria for hedge accounting or the hedging instrument is sold, expired, terminated or not exercised, the hedging relationship is discontinued prospectively.

If a cash flow hedge is terminated, the amount recognized in the cash flow hedge reserve shall remain in other comprehensive income until – in the case of a hedging relationship that leads to the recognition of a non-financial item – this amount is included in the cost of the non-financial position upon first-time recognition in which the anticipated future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve and the reserve for hedge expenses to profit or loss as a reclassification adjustment.

32. Classification and fair values

The Company has the following types of financial instruments:

K EUR	Measurement category acc. to IFRS 9	Carrying amount as at 31.12.2024	Fair value as at 31.12.2024	Valuation		
				Amortised cost	Fair value through other comprehen-sive income	Fair value through profit or loss
ASSETS						
Other non-current financial assets	AC	173	173	173	–	–
Interest swaps used for hedging purposes – non-current	n/a	141	141	–	141	–
Trade receivables	AC	50,603	*)	50,603	–	–
Other financial assets	AC	339	*)	339	–	–
Interest swaps used for hedging purposes – current	n/a	12	12	–	12	–
Cash and cash equivalents	AC	11,463	*)	11,463	–	–

*) Fair value approximates the carrying amount

Global netting arrangements do not have any significant effects

In the near future, the Company does not plan to sell or derecognise any significant portions of the other non-current financial assets recorded as at 31 December 2024.

K EUR	Measurement category acc. to IFRS 9	Carrying amount as at 31.12.2023	Fair value as at 31.12.2023	Valuation		
				Amortised cost	Fair value through other comprehen-sive income	Fair value through profit or loss
ASSETS						
Other non-current financial assets	AC	199	199	199	–	–
Interest swaps used for hedging purposes – non-current	n/a	291	291	–	291	–
Trade receivables	AC	54,920	*)	54,920	–	–
Other financial assets	AC	1,238	*)	1,238	–	–
Interest swaps used for hedging purposes – current	n/a	10	10	–	10	–
Cash and cash equivalents	AC	15,621	*)	15,621	–	–

*) Fair value approximates the carrying amount

Global netting arrangements do not have any significant effects

K EUR	Measurement category acc. to IFRS 9	Carrying amount as at 31.12.2024	Fair value as at 31.12.2024	Valuation		
				Amortised cost	Fair value through other comprehen-sive income	Fair value through profit or loss
EQUITY AND LIABILITIES						
Liabilities to banks	AC	108,852	108,852	108,852	–	–
Trade payables	AC	63,324	63,324	63,324	–	–
Other non-current financial liabilities						
Other interest-bearing liabilities	AC	0	0	0	–	–
Interest swaps used for hedging purposes – non-current	n/a	1,120	1,120	–	1,120	–
Other non-interest-bearing liabilities	AC	2,059	2,059	2,059	–	–
Liabilities from leases	n/a	18,714	18,714	18,714	–	–
Other current financial liabilities						
Other interest-bearing liabilities	AC	0	0	0	–	–
Other non-interest-bearing liabilities	AC	15,200	15,200	15,200	–	–
Liabilities from leases	n/a	3,658	3,658	3,658	–	–

Global netting arrangements do not have any significant effects

K EUR	Measurement category acc. to IFRS 9	Carrying amount as at 31.12.2023	Fair value as at 31.12.2023	Valuation		
				Amortised cost	Fair value through other comprehen-sive income	Fair value through profit or loss
EQUITY AND LIABILITIES						
Liabilities to banks	AC	98,016	98,016	98,016	–	–
Trade payables	AC	69,466	69,466	69,466	–	–
Other non-current financial liabilities						
Other interest-bearing liabilities	AC	0	0	0	–	–
Interest swaps used for hedging purposes – non-current	n/a	0	0	–	0	–
Other non-interest-bearing liabilities	AC	1,755	1,755	1,755	–	–
Liabilities from leases	n/a	9,491	9,491	9,491	–	–
Other current financial liabilities						
Other interest-bearing liabilities	AC	7,237	7,237	7,237	–	–
Other non-interest-bearing liabilities	AC	12,294	12,294	12,294	–	–
Liabilities from leases	n/a	3,007	3,007	3,007	–	–

Global netting arrangements do not have any significant effects

The following overview of maturities illustrates how the cash flows from liabilities (not discounted) affect the Group's liquidity situation as at 31 December 2024:

K EUR	Total	2025	2026	2027	2028	2028 ff.
Non-current liabilities						
Liabilities to banks	101,670	0	95,034	4,186	1,850	600
Other financial liabilities	21,895	0	6,368	2,962	1,878	10,687
of which interest swap	838	0	407	179	203	49
Current liabilities						
Trade payables	63,324	63,324	0	0	0	0
Liabilities to banks	7,182	7,182	0	0	0	0
Other financial liabilities	18,858	18,858	0	0	0	0
of which interest swap	360	360				
Total	**213,766**	**89,364**	**101,808**	**7,327**	**3,931**	**11,337**

The situation as at 31 December 2023 was as follows:

K EUR	Total	2024	2025	2026	2027	2027 ff.
Non-current liabilities						
Liabilities to banks	87,582	0	5,315	78,607	1,824	1,836
Other financial liabilities	11,246	0	4,480	2,476	1,882	2,409
Current liabilities						
Trade payables	69,466	69,466	0	0	0	0
Liabilities to banks	10,434	10,434	0	0	0	0
Other financial liabilities	22,538	22,538	0	0	0	0
Total	**201,266**	**102,438**	**9,795**	**81,083**	**3,706**	**4,245**

33. Capital management

The primary objective of capital management is to ensure that the Group maintains a strong credit rating and a healthy equity ratio in order to support its business activity. The Group manages its capital structure and adjusts it to the respective economic conditions. There is no externally set target for its net financial debt. The Group monitors its capital structure on the basis of its net financial debt and its target ratios in accordance with the covenants. A monthly report is prepared in this regard and discussed at the Management Board meetings. The Group's equity is managed and controlled through a targeted retention of earnings, which is defined by the resolution of the Annual General Meeting. The following table shows the composition of the net financial debt as at the respective balance sheet dates.

K EUR	**31.12.2024**	31.12.2023
Liabilities to banks	108,852	98,016
Trade payables	63,324	69,466
Cash and cash equivalents	-11,463	-15,621
Net financial liabilities	**160,713**	**151,861**

Credit risk

Trade receivables display the following age structure on the reporting date and loss allowances for expected credit losses using the simplified approach of IFRS 9:

					of which not impaired and past due by					
K EUR	**Carrying amount**	of which neither impaired nor overdue	of which impaired and not overdue	of which impaired and overdue	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days
Trade receivables										
As at 31.12.2024	**51,353**	**41,392**	**152**	**598**	**6,500**	**1,125**	**365**	**816**	**363**	**42**
As at 31.12.2023	56,523	46,436	0	1,603	5,271	1,438	182	611	643	339

Credit risk results from the possibility of the full or partial default of a counterparty and also exists in the context of cash investments. The SHW Group mainly delivers to major automotive manufacturers and automotive suppliers. There are no significant risks of default in terms of trade receivables due to the customer structure. High levels of credit losses have not been recorded in recent years.

The trade receivables carried by the SHW Group do not include any material financing component as they are payable within the terms of payment agreed on individually with the customer (generally between 30 and 90 days). For this reason, the SHW Group applies the simplified approach provided by IFRS 9. The expected credit losses are based on the defaults observed in the past, adjusted for any forward-looking estimates. Each reporting date the observed historical defaults are updated and any changes to the forward-looking estimates are analysed. Significant measurement inputs include certain past-due items among receivables as well as qualitative criteria to rate the credit-worthiness of debtors. Furthermore, any objective indications of impairment (e.g. insolvency of a customer) are also considered. The impairment losses that are recognised on the basis of the uniform policies applied by the Group cover all discernible credit risks.

The maximum risk incurred upon the default of the counterparty for receivables and for other financial assets is limited to the carrying amount of the respective assets of € 48,020 thousand (previous year € 51,990 thousand). The composition and development of other financial assets are presented in Notes (21) and (24).

Liquidity risk

Liquidity risk represents the risk of not being able to meet present or future payment commitments or only being able to do so at unfavourable conditions. The SHW Group monitors the liquidity risk with the assistance of weekly financial plans for cash inflows and cash outflows of the forthcoming months. The SHW Group strives to be in a position to meet its financial obligations at all times and seeks the optimum balance of short-term investments and borrowings. This means that the SHW Group seeks a minimum level of liquidity, which is derived from the monthly financial plans, whereby it should be ensured that the SHW Group's liquidity requirements for current business and planned investments are sufficiently secured in the most cost-effective manner possible. A further aim of the Group is to keep its level of working capital as low as possible. A syndicated line of € 130.0 million is available to the Group for borrowings. As at the reporting date, this facility has been drawn down by € 89.4 million (of which € 2.6 million through guarantees). For further information on the maturities of liabilities, please refer to our comments under Note (29) "Liabilities".

Interest and currency risk

The Group is mainly exposed to foreign exchange risks and changes in interest rates. Risks from exchange rate fluctuations originate from capital investments, financing measures and operating activities in regions using a foreign currency. Interest risks arise from financial instruments bearing a variable interest rate, which have an impact on the Group's interest expenses when the interest rate changes. The management of market price risks involves mitigating the impact of fluctuations in foreign exchange rates and interest rates.

The SHW Group is not exposed to any significant currency risks, since its sales and costs are mainly billed in euros on almost all of its production factor and goods markets.

The Group's interest rate risk relates primarily to the syndicated loan agreement. In light of market developments and the anticipated rise in interest rates, the Group decided in the year 2024 to hedge its variable interest rate exposure at a base amount of € 60 million by entering into interest swaps. This measure serves to minimize the interest risk attached to our financing requirements over the coming three to five years. The swaps are designed to cover a base amount of the financial requirements over the coming three to five years and thereby create planning certainty for our interest expenses. The interest swaps are also a preventive measure to protect us against rising interest rates. Together with the underlying transaction (day-to-day financing requirements) the hedging instrument (interest swap) forms a cash flow hedge. The hedging strategy is aimed at hedging future variable rate interest on the underlying against undesired rate changes. SHW hedges against its future exposure to variable interest rates on its anticipated financing requirements using a number of similar interest swaps. We assessed the effectiveness of all six interest swaps. The underlying transaction and the hedging instrument are exposed to identical risks as they are all pegged to the 3 month EURIBOR. The risk is clearly identifiable. The variable interest rate of the underlying does not fully match the variable interest rate of the hedging instrument. This is due to timing differences in the designation of the underlying and the hedging instrument. Thus the future cash flows are slight time-shifted, resulting in corresponding hedge inefficiency. According to IFRS 9 B6.4.1 it is necessary to demonstrate the hedge effectiveness of the hedging instrument (interest swap). Measured ineffectiveness in 2024 was immaterial. The effectiveness of the hedging relationship will be reviewed every reporting date (IFRS 9 B6.4.12). The interest swaps have a residual term expiring between 2027 and 2029. Their nominal value amounted to € 60,000 thousand on the reporting date.

Moreover, variable-rate loans were taken out in 2019 for three investment projects which were also hedged against changes in interest rates by entering into corresponding payer-swaps. The variable-rate loans are pegged to the 3-month EURIBOR plus a mark-up. The interest swaps are carefully tailored to the underlying loans to create a synthetic fixed interest loan. They therefore qualify as microhedges that cover the entire term of the loans. Prospective hedge effectiveness has been determined using the critical terms match method in which the key parameters of the loans and the swaps are compared to each other. All of the relevant parameters match. Consequently, hedge effectiveness is assured. The interest swaps have a residual term expiring between 2025 and 2029. Their nominal value amounted to € 4,037 thousand on the reporting date.

The interest swaps are allocated to Level 2 of the fair value hierarchy. They are therefore measured on the basis of observable market data, such as interest rates and swap curves, that do not qualify as observable inputs for identical assets but rather represent quoted prices in active markets for similar instruments. Fair value is measured at the present value of estimated future cash flows from variable interest payments based on quoted rates for swaps, future prices and interbank lending rates. The estimated cash flows are discounted using the interest curves as inputs. It is necessary to reallocate financial assets and financial liabilities to different levels of the fair-value hierarchy if the measurement method or assumptions needed to assess fair value change. Such a reallocation would be made at the end of the reporting year. There were no such reallocations in 2024.

The SHW Group keeps a close eye on monetary policy and interest rates. Changes in market interest rates could affect future interest payments for floating rate liabilities. The turnaround in monetary policy seen in 2024 could result in lower borrowing costs for the Company and ease the liquidity situation over the mid-term.

The profile of interest rates charged on interest-bearing financial instruments is as follows:

K EUR	Carrying amount 2024	2023
Fixed interest instruments		
Financial liabilities	-43,087	-29,468
Effects from interest swaps	0	0
	-43,087	**-29,468**
Variable interest instruments		
Financial liabilities	-90,843	-81,046
Effects from interest swaps	-967	301
	-91,810	**-80,745**

The effects from interest swaps consist of a current receivable of € 12 thousand (previous year € 10 thousand), a non-current receivable of € 141 thousand (previous year € 291 thousand) and a non-current liability of € 1,120 thousand (previous year € 0 thousand). The nominal value of the current interest swap comes to € 941 thousand, with an average interest rate of 0.25 per cent and a term expiring in 2025. The nominal value of the non-current interest swap comes to € 63,096 thousand, with an average interest rate of 2.14 per cent and terms expiring in 2027 or 2029.

Foreign exchange risks exist with regards to the foreign subsidiaries and were not material for the Group in the reporting year on a net basis.

The following table contains a reconciliation between the risk categories of the components of equity and an analysis of the line items reported under other comprehensive income resulting from cash flow hedges:

K EUR	2023 Hedge reserve
AS AT 01.01.2023	**483**
Cash flow hedges	
Changes in fair value	
Interest rate risk	-939
Taxes on changes in reserves during the year	267
As at 31.12.2023	**-189**

K EUR	2023 Hedge reserve
AS AT 01.01.2023	**483**
Cash flow hedges	
Changes in fair value	
Interest rate risk	-939
Taxes on changes in reserves during the year	267
As at 31.12.2023	**-189**

A conceivable change in interest rates of 50 base points on the reporting date would have increased/decreased profit or loss by the amounts listed below. It was assumed in the course of this analysis that all other inputs remained unchanged, the exchange rate in particular.

	Profit or loss			Change in equity after tax	
Effect in € thousand	50 bp increase	50 bp decrease		50 bp increase	50 bp decrease
31 December 2024					
Variable rate instruments	– 864	864		– 618	618
Interest swaps	906	– 906		648	– 648
Sensitivity of cash flow (net)	42	– 42		30	– 30

More information on hedge accounting and the underlying transaction can be found in Note (33), “Interest and currency risk”.

The amounts related to designated hedging instruments in this line item and hedge ineffectiveness are presented in the following table:

INTEREST RATE RISK ATTACHED TO INTEREST SWAPS

K EUR	2024	2023
Nominal amount	64,037	6,175
Asset (carrying amount)	153	300
Liabilities (carrying amount)	-1,120	0
Line item in which the hedging instrument is contained	Other financial assets including derivatives (assets) Other financial liabilities	Other financial assets including derivatives (assets) Other financial liabilities
Change in the fair value of the hedging instrument posted to OCI	-718	-672

Collateral issued

Collateral of € 22,046 thousand has been issued in the form of limited guarantees and joint and several liability arrangements to secure the loans borrowed by the operative subsidiaries in addition to the collateral assignment of machines.

VII. Leases

34. Leases

The definition of a lease mainly concerns the concept of control. IFRS 16 determines whether a contract is a lease or not on the basis of whether the lessee obtains the right to control the use of an identified asset for a period of time in exchange for consideration.

The SHW Group recognises a right-of-use asset and a corresponding lease liability for arrangements that were previously treated as operating leases and not recognised in the balance sheet. The historical cost of the right-of-use asset consists of the present value of the future lease payments, the lease payments already made upon or before the commencement date as well as any initial direct costs incurred, plus the estimated costs for dismantling, removing and restoring the leased asset. All lease incentives received are deducted from cost. Initial direct costs are not considered in the measurement of the right-of-use asset upon initial application of the standard. SHW applies the practical expedient of not separating leases into non-leasing and leasing components.

The measurement of the lease liability considers the following elements:

- Fixed payments, including de facto fixed payments
- Variable lease payments that are tied to an index or (interest) rate, are initially measured using the index or rate applying on the commencement date
- Any amounts expected to be paid due to residual value guarantees
- Exercise price of a purchase option, provided the SHW Group is reasonably certain that it will exercise this option
- Penalties paid for premature termination of the lease, unless the SHW Group is reasonably certain it will not terminate the lease prematurely

The SHW Group applies the practical expedients afforded by IFRS 16 and therefore does not recognise right-of-use assets and lease liabilities for any short-term leases (of less than twelve months) or leases of low-value assets. Rather, the lease payments are expensed through profit or loss over the term of the lease on a straight-line or other systematic basis.

Subsequent measurement involves depreciating the right-of-use asset over the estimated term of the lease. If the lease transfers ownership to the underlying assets to the SHW Group at the end of the lease, or if this is already considered in the costs of the right-of-use asset and that therefore the SHW Group is likely to exercise any purchase option, then the right-of-use asset is amortised over the estimated economic life of the underlying asset. In addition, the right-of-use asset is adjusted for any impairment losses, if necessary, and adjusted to reflect any remeasurement of the lease liability. The lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when the future lease payments change in response to a change in the index or (interest) rates, or if the SHW Group adjusts its estimate of the probable payments made under a residual value guarantee or if the SHW Group adjusts its estimates of the exercise of a purchase option, a prolongation option or termination option or if there is any de facto change in the least payments.

In accordance with IFRS 16, the depreciation charged on right-of-use assets is allocated to the respective function costs. The interest charge needed to unwind the present value of lease liabilities over time is posted to interest expenses.

The SHW Group leases a range of different assets. These mainly include halls and buildings, plant and machinery, vehicles and office hardware.

The SHW Group conducted a sale and leaseback transaction in the fiscal year. In addition to a manufacturing hall and the associated property, the transaction also included machines. The sale and leaseback transaction was accounted for in accordance with IFRS 16 and the corresponding assets and liabilities recognized in the balance sheet. The payments are presented in the cash flow statement under cash received from other financial liabilities at an amount of € 1,977 thousand and lease payments of € -3,331 thousand.

31 DECEMBER 2024

K EUR	Minimum lease payments	Interest included in lease payments	**Liabilities from leases**
Within one year	4,126	468	3,658
Between one and five years	10,410	1,178	9,232
More than five years	11,013	1,531	9,482
Total	**25,549**	**3,177**	**22,372**

31 DECEMBER 2023

K EUR	Minimum lease payments	Interest included in lease payments	**Liabilities from leases**
Within one year	3,258	251	3,007
Between one and five years	8,662	426	8,236
More than five years	1,280	25	1,255
Total	**13,200**	**702**	**12,498**

Leases where the SHW Group is the lessee are presented below

RIGHT OF USE ASSETS

K EUR	As at 01.01.2024	Amortisation of right-of-use assets	Additions to right-of-use assets	Disposals of right-of-use assets	**As at 31.12.2024**
Land, land rights and buildings	8,742	-2,301	11,145	-216	17,371
Technical equipment and machinery	798	-292	1,089	0	1,595
Other equipment, operating and office equipment	2,322	-692	1,196	-329	2,497
Total	**11,862**	**-3,285**	**13,431**	**-545**	**21,463**

RIGHT OF USE ASSETS

K EUR	As at 01.01.2023	Amortisation of right-of-use assets	Additions to right-of-use assets	Disposals of right-of-use assets	**As at 31.12.2023**
Land, land rights and buildings	11,179	-1,919	82	-600	8,742
Technical equipment and machinery	1,038	-240	0	0	798
Other equipment, operating and office equipment	1,664	-780	1,464	-26	2,322
Total	**13,881**	**-2,939**	**1,546**	**-626**	**11,862**

Total cash outflows from leases amount to € 3,331 thousand (previous year € 3,926 thousand). Contracts in which the SHW Group acts as the lessor were immaterial in the reporting period.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

K EUR	2024
Amortisation of right-of-use assets	-3,285
Interest expense on lease liabilities	-543
Expenses from short-term leases	-2,312
Expenses from leases for low-value assets	0
Expenses from variable lease payments not included in the measurement of lease liabilities	-153

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

K EUR	2023
Amortisation of right-of-use assets	-2,939
Interest expense on lease liabilities	-236
Expenses from short-term leases	-1,823
Expenses from leases for low-value assets	0
Expenses from variable lease payments not included in the measurement of lease liabilities	-201

VIII. Related party disclosures and company boards

35. Business relationships with related parties

Pankl AG, Kapfenberg, Austria – a subsidiary of Pierer Industrie AG, Wels, Austria – notified the Company by voting rights notification dated 26 July 2019, issued in accordance with Section 20 (1) a (4) AktG, that it held more than one quarter of the shares in SHW AG and at the same time obtained the majority of the voting rights at the Annual General Meeting. Pierer Industrie AG, Wels, Austria, is a subsidiary of Pierer Konzerngesellschaft mbH, Wels, Austria. The "ultimate controlling party" is Mr. Stefan Pierer, Wels, Austria.

SHW AG is included in the consolidated financial statements of Pierer Industrie AG, Wels, Austria, and in the consolidated financial statements of Pierer Konzerngesellschaft mbH, Wels, Austria. The ultimate parent company that compiles consolidated financial statements is Pierer Konzerngesellschaft mbH. The consolidated financial statements have been filed with the District and Commercial Court of Wels, Austria, under the number FN 134766 k. SHW AG compiles the consolidated financial statements for the smallest group of companies.

The consolidated financial statements of SHW AG, Aalen, include all subsidiaries of SHW AG.

There were no transactions with related parties.

TRANSACTIONS WITH RELATED PARTIES

	Services rendered and other income		Purchased services and other expenses		Receivables		Liabilities	
						31 December		31 December
K EUR	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Companies of the Pierer Group	12,200	4,788	6,222	5,034	930	404	500	7,580
davon aus Sale-and-Lease-Back Transaktion	6,300	0	0	0	0	0	0	0
Thereof parent company	109	85	1,470	1,300	0	0	17	1

36. Boards of SHW AG

Management Board

Wolfgang Plasser, Kaltenleutgeben, Austria

- Chairman of the Management Board
- CEO of SHW Automotive GmbH, SHW Brake Systems GmbH, SHW Gießerei GmbH & Co.KG, SHW Bremsen Beteiligungs GmbH
- Director of SHW Pumps & Engine Components Inc., Toronto, Canada
- Managing Director of SHW Pumps & Engine Components Inc., Timisoara, Romania
- Legal Representative und Executive Director der SHW Automotive Pumps (Kunshan) Co. LTD., Kunshan, China Executive
- Legal representative der SHW Brake Systems (Haimen) Co. LTD., Nantong Haimen, China
- Chairman of the Management Board of Pankl AG, Kapfenberg, Austria
- Chairman of the Management Board of Pankl Racing Systems AG, Kapfenberg, Austria
- Member of the Management Board of Pierer Industrie AG, Wels, Austria, (31.12.2024)
- Managing Director of Ocean Consulting GmbH, Vienna, Austria

Other significant mandates:

- Chairman of the Supervisory Board of Pankl Immobilienverwaltungs GmbH, Kapfenberg, Austria (until 13 January 2024)

Thomas Karazmann, Vienna, Austria (until 31 March 2025)

- Chief Financial Officer
- CEO of SHW Automotive GmbH, SHW Brake Systems GmbH, SHW Gießerei GmbH & Co.KG, SHW Bremsen Beteiligungs GmbH
- Director of SHW Pumps & Engine Components Inc., Toronto, Canada
- Supervisor of SHW Automotive Pumps (Kunshan) Co. LTD., Kunshan, China, SHW Import & Export Trading (Kunshan) Co. LTD., China, SHW Brake Systems (Haimen) Co. LTD., Nantong Haimen, China
- Chief Financial Officer of Pankl AG, Kapfenberg, Austria
- Chief Financial Officer of Pankl Racing Systems AG, Kapfenberg, Austria

Other significant mandates:

- Deputy Chairman of the Supervisory Board of Pankl Immobilienverwaltungs GmbH, Kapfenberg, Austria (until 13 January 2024)

Sebastian Rotermann, Backnang

- Chief Operating Officer
- Managing Director of SHW Automotive GmbH
- Director and General Manager of SHW Pumps & Engine Components Inc., Toronto, Canada
- General Manager der SHW Pumps & Engine Components Inc., Romania, SHW Automotive Pumps (Kunshan) Co. LTD., Kunshan, China, SHW Brake Systems (Haimen) Co. LTD., Nantong Haimen, China
- Legal Representative, Executive Director und General Manager der SHW Import & Export Trading (Kunshan) Co. LTD., Kunshan, China

Supervisory Board

Klaus Rinnerberger, Gießhübl, Austria, Chairman

- Chairman of the Executive Board of Leoni AG, Nuremberg, Germany
- Member of the Management Board of Pierer Industrie AG, Wels, Austria, (31.12.2024)
- Managing Director of Pierer Konzerngesellschaft mbH (01.01.2025)

Other significant mandates:

- Member of the Supervisory Board of SHW Automotive GmbH
- Deputy Chairman of the Supervisory Board of Pankl SHW Industries AG, Kapfenberg, Austria
- Member of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg, Austria
- Chairman of the Advisory Board of Gartner AG, Lambach, Austria

Stefan Pierer, Wels, Austria

- Chairman of the Management Board of Pierer Industrie AG, Wels, Austria
- Chairman of the Management Board of Pierer Mobility AG, Wels, Austria, (until 23.01.2025)
- Chairman of the Management Board of KTM AG, Mattighofen, Austria, (until 23.01.2025)
- Member of the Management Board of Bajaj AG, Wels, Austria
- Member of the Management Board of KTM Motorsports Inc., Murrieta, California, USA
- Member of the Management Board of KTM North America Inc., Amherst, Ohio, USA
- Managing Director of Pierer Konzerngesellschaft mbH, Wels, Austria
- Managing Director of Pierer Beteiligungs GmbH, Wels, Austria
- Managing Director of PIERER IMMOREAL GmbH, Wels, Austria
- Managing Director of P Immobilienverwaltung GmbH, Wels, Austria
- Managing Director of RM 2 Radbeteiligungs GmbH

Other significant mandates:

- Member of the Supervisory Board of SHW Automotive GmbH
- Chairman of the Supervisory Board of Pankl SHW Industries AG, Kapfenberg, Austria

- Chairman of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg, Austria
- Member of the Supervisory Board of Oberbank AG, Linz, Austria, (until 13.05.2024)
- Member of the Supervisory Board of Mercedes-Benz AG, Stuttgart, Germany
- Member of the Supervisory Board of Mercedes-Benz AG, Stuttgart, Germany
- Member of the Board of Directors of Pierer Swiss AG, Zürich, Switzerland

Friedrich Roithner, Linz, Austria

- Chief Financial Officer of Pierer Industrie AG, Wels, Austria, (31.12.2024)
- Member of the Management Board of Pierer Bajaj AG, Wels, Austria, (until 24.01.2025)
- Managing Director of Pierer Beteiligungs GmbH, Wels, Austria
- Managing Director of PIERER IMMOREAL GmbH, Wels, Austria, (until 17.12.2024)
- Managing Director of PIERER IMMOREAL Deutschland GmbH, Ursensollen, Germany
- Managing Director of L1-Beteiligungs GmbH, Aalen, Germany
- Managing Director of Pierer Konzerngesellschaft mbH (01.01.2025)

Other significant mandates:

- Chairman of the Supervisory Board of KTM AG, Mattighofen, Austria
- Chairman of the Supervisory Board of KTM Components GmbH, Munderfing, Austria
- Chairman of the Supervisory Board of Leoni AG, Nuremberg, Germany
- Member of the Supervisory Board of SHW Automotive GmbH, Aalen
- Member of the Supervisory Board of Pankl AG, Kapfenberg, Austria
- Member of the Supervisory Board of Pankl Racing Systems AG, Kapfenberg, Austria
- Member of the Supervisory Board of Pierer Mobility AG, Wels, Austria

Michaela Friepeß, Wels, Austria

- Member of the Management Board of Pierer Industrie AG, Wels, Austria, (31.10.2024)

Other significant mandates:

- Member of the Supervisory Board of SHW Automotive GmbH, Aalen, Germany
- Member of the Supervisory Board of Pierer Bajaj AG, Wels, Austria
- Member of the Supervisory Board of PIERER Mobility AG, Wels, Austria
- Member of the Supervisory Board of Leoni AG, Nuremberg, Germany

Isni Aliji, Tuttlingen (until 07.05.2024)

- Member of the Full Works Council of SHW Automotive GmbH and Chairman of the Works Council of SHW Brake Systems GmbH, Tuttlingen, and SHW Gießerei GmbH & Co. KG, Tuttlingen

Other significant mandates:

- Member of the Supervisory Board of SHW Automotive GmbH, Aalen, Germany (since 22.03.2024)

Karl Holzner, Aalen (from 08.05.2024)

- Member of the Full Works Council of SHW Automotive GmbH and Chairman of the Works Council of SHW Powder Systems GmbH, Aalen, and SHW Automotive GmbH Aalen plant

Other significant mandates:

- Member of the Supervisory Board of SHW Automotive GmbH, Aalen, Germany (since 22.03.2024)

Eugen Maucher, Ingoldingen-Winterstettendorf, Deputy Chairman

- Chairman of the Full Works Council and Chairman of the Works Council of SHW Automotive GmbH, Wilhelmshütte plant (Bad Schüssenried)

Other significant mandates:

- Deputy Chairman of the Supervisory Board of SHW Automotive GmbH

37. Total remuneration of the members of the Management Board and Supervisory Board

K EUR	2024	2023
Benefits due in the short term (remuneration)	1,087	676
Benefits due in the long term (remuneration)	0	0
Post-employment benefits	0	0
Other benefits due and benefits upon termination of the employment relationship	0	0

A total of € 164 thousand has been recognised as provisions for pension obligations to former members of the Management Board (previous year € 164 thousand).

The total remuneration of the Supervisory Board amounted to € 164 thousand during the fiscal year (excluding the reimbursement of expenses, previous year € 185 thousand). No payments were made to former members of the Supervisory Board.

IX. Subsequent events

No particularly significant events occurred after the reporting date which require disclosure at this point.

X. Schedule of shareholdings

as at 31 December 2024 in accordance with § 313 (2) HGB

Company name and location	Share in capital (per cent)
Schwäbische Hüttenwerke Automotive GmbH, Aalen, Germany	100
SHW Powder Systems GmbH, Aalen	100
SHW Brake Systems GmbH, Tuttlingen	100
SHW do Brasil Ltda., São Paulo, Brazil	100
SHW Pumps & Engine Components Inc., Brampton/Ontario, Canada	100
SHW Automotive Pumps (Kunshan) Co., Ltd., Kunshan/Shanghai, China	100
SHW Pumps & Engine Components S.r.l., Ghiroda/Timișoara, Romania	100
SHW Brake Systems (Nantong Haimen) Co. Ltd., China	100
SHW Import Export Trading (Kunshan) Co. Ltd, China	100
SHW Bremsen Beteiligungs GmbH, Tuttlingen	100
SHW Gießerei GmbH & Co. KG, Tuttlingen	100

Aalen, 20 March 2025

Wolfgang Plasser
Chief Executive Officer

Thomas Karazmann
Chief Financial Officer

Sebastian Rotermann
Chief Operating Officer

INDEPENDENT AUDITORS' REPORT

To SHW AG, Aalen

Audit Opinions

We have audited the consolidated financial statements of SHW AG, Aalen, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year from 1 January to 31 December 2024 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of SHW AG for the fiscal year from 1 January to 31 December 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as adopted by the EU, (hereinafter referred to as IFRS Accounting Standards) and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024, and of its financial performance for the fiscal year from 1 January to 31 December 2024, 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 Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements 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 Section 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 accordance 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.

Other Information

The Management Board and the Supervisory Board are responsible for the other information.

Other information comprises the annual report. However, other information does not include the consolidated financial statements, those contents of the group management report that were audited and the associated audit opinion.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the group management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Management Board and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The Management Board is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial performance of the Group. In addition, the Management Board is responsible for such internal control as it has determined necessary to enable, the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is 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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the group management report and 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 Management Board is 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.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of 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 EU 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements and the group management report, whether due to fraud or error, and 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 the accounting policies used by the Management Board and the reasonableness of estimates made by the Management Report and related disclosures.

- Conclude on the appropriateness of the Management Board 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 IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Plan the audit of the consolidated financial statements to 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 on the group management report. We are responsible for directing, monitoring and inspecting the audit procedures conducted for the purpose of auditing the consolidated financial statements. 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 Management Board in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board 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.

Ulm, 20 March 2025

KPMG AG

Wirtschaftsprüfungsgesellschaft

Signed Dr. Faul	Signed Walter
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

FIVE-YEAR SUMMARY

K EUR	2024	2023	2022	2021	2020
Sales	518,950	532,860	472,504	427,323	392,931
EBITDA	38,133	42,878	36,278	34,681	25,337
as % of sales	7.3%	8.0%	7.7%	8.1%	6.4%
EBIT	6,771	10,364	3,035	3,039	-4,729
as % of sales	1.3%	1.9%	0.6%	0.7%	-1.2%
Net profit	-4,405	-886	-6,746	-621	-5,059
Earnings per share [1]	-0.68	-0.14	-1.05	-0.10	-0.79
Equity	118,472	123,944	127,465	127,371	124,652
Equity ratio	31.8%	33.0%	34.8%	38.1%	39.4%
Operating free cash flow	-12,936	3,874	-18,039	-36,568	9,556
as % of sales	-2.5%	0.7%	-3.8%	-8.6%	2.4%
Total free cash flow	-12,936	3,874	-18,039	-33,588	8,934
as % of sales	-2.5%	0.7%	-3.8%	-7.9%	2.3%
Net liquidity / Net financial liabilities	-97,389	-82,395	-87,946	-69,133	-36,101
Investments [2]	43,965	37,127	45,978	41,646	32,763
as % of sales	8.5%	7.0%	9.7%	9.7%	8.3%
Net working capital	68,651	64,837	66,870	57,464	36,497
as % of sales	13.2%	12.2%	14.2%	13.4%	9.3%
ROCE	2.5%	4.1%	1.2%	1.3%	-2.3%
Number of employees (average) [3]	1,812	1,826	1,667	1,685	1,619

1) Number of shares: 6.436.209 shares

2) Additions to property, plant and equipment and intangible assets.

3) Excluding temporary workers.

Financial calendar 2025

24 March 2025	Annual Report 2024
13 May 2025	Annual General Meeting 2025

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